

The NATIONAL UNDERWRITER

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—The National Weekly Newspaper of Life Insurance—

December 13, 1958

Corporate Social Responsibility Gets High Valuation

Company Won't Thrive Without It, Anderson III Chairman, Declares

NEW YORK—Social responsibility has become an important corollary to profit making and the meeting of competition in all areas of the economy, O. Kelley Anderson, chairman of the Institute of Life Insurance and president of New England Life, said in the opening address of the 20th anniversary meeting of the institute. "The transition to corporate acceptance of social responsibility represents

OFFICERS ELECTED

Chairman—Howard Holderness, president Jefferson Standard Life; succeeding O. Kelley Anderson, president New England Life.

Directors—reelected: Mr. Anderson and M. R. Dodson, president Ohio National Life; newly elected: Dennis N. Warters, president Bankers Life of Iowa; George W. Bourke, president Sun Life of Canada, and James F. Oates Jr., president Equitable Society.

Members of the board elected to the executive committee—Mr. Anderson; F. W. Ecker, president Metropolitan Life; Walter O. Menge, president Lincoln National; Clarence J. Myers president New York Life; Richard B. Evans, president Colonial Life, D. E. Kilgour, vice-president and managing director Great-West Life. Mr. Holderness is chairman ex-officio of the executive committee.

one of the greatest of the many changes that have occurred in business over the past 20 years," Mr. Anderson said. "Today, the business firm or institution which ignores this will not prosper for long and may not survive."

Mr. Anderson credited the activities in the field of public interest on the

(CONTINUED ON PAGE 28)

IRS Gives Up In Three Business-Cover Cases

WASHINGTON—The internal revenue service will abide by adverse federal court of appeals rulings in the Casale, Sanders and Prunier cases, it has announced. The cases all involved business insurance on the lives of employee-owners, in which the corporations possessed rights of ownership. IRS contended that the payment of premiums by the corporations constituted dividends to the owners and were hence taxable as income.

By accepting the court decisions, IRS is agreeing to the principle that when a corporation pays premiums in such cases it is merely converting cash into another corporate asset, i.e., an insurance policy, and this does not result in taxable income to the individual employee-shareholder.

SEQUEL TO CONFERENCE:

N. Y. Asks ALC, LIA To Appoint Advisory Committee On Minimum Deposit; Will Hear Agents, Too

By ROBERT B. MITCHELL

NEW YORK—As a result of the Dec. 5 conference on minimum deposit plan abuses with representatives of some 20 companies Insurance Superintendent Wikler of New York announced Tuesday that the department has asked Life Insurance Assn. of America and American Life Convention to appoint an industry advisory committee to cooperate with the department in determining what should be done about this type of business.

Mr. Wikler told the press conference at which he announced this decision that he hoped the committee would meet with the department before the year-end.

The superintendent said also that he planned to ask the New York State Assn. of Life Underwriters to bring together a group of about 20 representatives of the producers to meet with the department before the end of the year.

Mr. Wikler and Assistant Superintendent Sackman, for many years head of the life bureau, indicated at

the press conference that the department is particularly concerned about these aspects of the minimum deposit plan:

—Twisting of business, though they made it clear that twisting is not illegal of itself, provided there is no misrepresentation, misleading statements, or incomplete comparisons.

—Failure of buyers to understand the full effect of paying an increasing amount of premium for a decreasing amount of insurance.

Fears Discrimination

—Discrimination against other buyers in the same company who do not own the high early cash value contracts on which the minimum deposit plan is based. This discrimination would be heightened where the lapse rate is higher than normal, as it is in some companies.

—Abnormally high lapse rates, in some companies more than double the rate on comparable contracts without the high early cash value feature. This could, it is feared, go to such extremes as to endanger a company's solvency, though Mr. Wikler made it clear that there is no question of this with any of the companies currently involved. Some 14 companies

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Company Income Levy Not Sole Federal Tax Concern, Says Thore

NEW YORK—While life company income tax legislation constitutes a

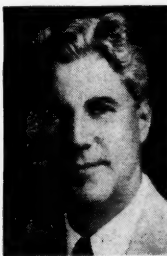
very major item in the field of federal tax action it is by no means the sole tax preoccupation of the insurance business in Washington, Eugene M. Thore, vice-president and general counsel of Life Insurance Assn. of America, said in his report at the LIA annual meeting here.

Chief among other life insurance tax considerations this year were the premium payment test, bank loan plans, annuity plans for life company employees and for charitable and educational organizations, and the life insurance implications in the suggested changes in the taxation of small business.

Lists Other Tax Matters

Also in the tax area, Mr. Thore said, was legislation concerning railroad retirement taxes, proposed individual retirement legislation and litigation such as the Stern and Bess cases, which were decided by the Supreme Court, involving the legality of the government placing claims

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Eugene M. Thore

"Minimum Deposit Abuses Could Bring Federal Protests"

Wilde Utters Warning In LIA Presidential Address; Reports On New Business

NEW YORK—The currently controversial minimum deposit plan of writing life insurance came in for some sharp criticism from Frazar B. Wilde, president of Connecticut General Life, in his talk at the Life Insurance Assn. of America.

Saying, "We must face up to the fact that our own business has certain problems for which we alone are responsible," he continued:

"One that seems especially unneeded is the attack made upon the fundamental concept of our business; namely, the level premium theory of life

OFFICERS ELECTED

President—Clarence J. Myers, president New York Life.

Directors—Frazar B. Wilde, president Connecticut General Life and immediate past president of LIA; Byron K. Elliott, president John Hancock, and T. A. Sick, president Security Mutual Life of Nebraska. Re-elected to serve through 1961: William J. Rushton, president Protective Life, and Carrol M. Shanks, president Prudential.

insurance and its advantages. We had this problem in the 30s, created partly by the depression and partly by individuals trying to exploit the cash value reserves of our policyholders for the benefit of the 'twister.'

"The companies, in combination with responsible insurance departments, came to the rescue of the policyholders and the standards of the business. In a few years the

(CONTINUED ON PAGE 12)



TITLE OF HONORARY ATTORNEY GENERAL is conferred on Byron K. Elliott, president of John Hancock, second from left, at Baton Rouge, La. Presenting the certificate is Louisiana Sen. Russell B. Long, while R. Radcliffe Massey, vice-president, left and Joseph Baynard of the New Orleans general agency, right, look on. Mr. Elliott at the same time was named an honorary citizen of Baton Rouge and an honorary colonel in the state guard.

Phoenix Mutual Warns Field Force To Take Utmost Care On Minimum Deposit

Phoenix Mutual Life, which has issued a great deal of business on the high early cash value basis, has notified its field force of the need for taking the utmost care in writing the minimum deposit plan of insurance where replacement of insurance may be involved. Where improper handling of replacement of business is found, "we will have no recourse but to cancel the contract of the individual involved," the company states.

The warning was contained in a letter, with which went a reprint of a recent National Underwriter article on the subject and a copy of the New York insurance law provisions dealing with replacement. The letter, signed by Vice-president Herbert C. Skiff, went to all managers for transmittal to their agents. Copies were also mailed to all the company's brokers and surplus business sources. It reads:

If you read THE NATIONAL UNDERWRITER, you have undoubtedly seen the article in the Nov. 15 issue, "Concern Expressed at Replacement volume in 'Minimum Deposit' sales," a reproduction of which is enclosed.

When we, in company with other companies doing business in New York state, have been requested to be present at a forthcoming meeting, it is quite natural for us to re-examine our position. You will recall my letter of Sept. 26, accompanied by a reproduction of the recommendations of the NALU committee on bank loan insurance, which parallels the

previously established premises set out as this company's objectives in writing such business, with particular reference to replacement.

A great deal of the concern in the industry on minimum deposit plans today has to do with the subject of replacement, and to whatever extent this may be occurring on our own business, we share the same degree of concern.

You are fully aware of the question
(CONTINUED ON PAGE 25)

Policyholders Own Columbus Mutual Surplus, Court Says

COLUMBUS—Federal court here has ruled that the equitable ownership of the surplus of Columbus Mutual Life is vested with the policyholders and not the stockholders in a decision affecting an estimated \$18 million of Columbus Mutual money. The decision upholds the contention of plaintiffs in a suit against Ohio State Life, which owns 99.54% of Columbus Mutual stock.

The defendants, including Frederick E. Jones, president of Ohio State Life and Columbus Mutual, held that the stockholders are the owners of Columbus Mutual and that the policyholders have a future right to ownership of the surplus if and when the directors convert the company into a mutual.

The minority policyholders suing Ohio State Life said the directors, after obtaining control of Columbus Mutual, attempted to take action which would give control of the surplus to Ohio State Life stockholders by amending the Columbus Mutual charter. The court declared that "a fair, reasonable and unrestrained construction of the present article V leads to but one conclusion—that the equitable ownership of the surplus (of Columbus Mutual) is vested in the policyholders and not in the stockholders."

The court withheld final judgment at the request of the Ohio superintendent so that all parties may be heard on the nature of what remedies are to be granted. Before announcing its decision, the court sustained a motion filed by the attorney for the plaintiffs to consolidate the cases of the plaintiff mutual policyholders.

During the prolonged litigation, plaintiff attorney, Robert D. Hamilton, asserted that Mr. Jones originally acquired control of Columbus Mutual by paying \$5 million in excess of charter restrictions on its value. He said Mr. Jones then attempted to amend the charter to remove the restrictions.

The court held that because the restrictions are in the charter and on the stock certificates, the charter cannot be amended to deprive the policyholders of their "vested interest" in the surplus, which has been accumulating since 1906. There is still a federal court case pending against Mr. Jones on behalf of some Ohio State Life stockholders seeking to restore to Ohio State Life the \$5 million of "excess" payment for Columbus Mutual stock.

The decision in the Columbus Mutual case will be appealed by Mr. Jones and Ohio State Life as soon as possible.

Old, New Michigan Commissioners Feted

LANSING—The new and old Michigan insurance commissioners were saluted at a dinner last week given by the industry, with approximately 175 company executives, leading agents and field men attending.

The dinner originally was planned as a testimonial for Joseph A. Navarre, who is leaving office Dec. 31 to enter the private practice of law in Jackson, but when his successor was appointed early the same day and it was found he would be able to attend the scope was broadened. Frank Blackford has been named by Gov. Williams to take over as commissioner Jan 1, and was given a place on the program.

Was Williams' Assistant

Mr. Blackford is a career man in state government. He has had a number of important posts under Gov. Williams beginning in 1951 when he was made executive assistant to the governor. Subsequently he has been a member and chairman of the state liquor control commission and executive secretary of the state employees retirement fund. He leaves the latter position to become commissioner and in doing so, sacrifices \$2,000 in annual salary. The job of insurance commissioner in Michigan pays \$11,500 compared with \$13,500 in the retirement fund. Mr. Blackford is a graduate of Michigan State University and is a former instructor in public administration and economics. He served for 45 months with the combat engineers during the war.

John Panchuk of Federal Life & Casualty and Wolverine, introduced Mr. Blackford. Mr. Panchuk was counsel to the department for a number of years when he was an assistant attorney-general.

Gov. Williams attended the dinner and paid tribute both to Commissioner Navarre and his successor, complimenting Mr. Navarre in particular on his achievements in championing the cause of state regulation.

The main speaker was L. J. Carey, general counsel of Michigan Mutual Liability, who climaxed his talk with a presentation to Mr. Navarre of a stereophonic instrument. Mr. Carey mentioned among the achievements of Mr. Navarre the reorganization of the department along more efficient lines, inauguration of regular schools of instruction for the department staff,

(CONTINUED ON PAGE 25)

At Sun Life of Canada's new Univac II installation, George W. Bourke, president, seated, officially sets the electronic computer in operation. While the Univac's primary function will be in work for the policy administration department, Sun Life plans to use it in the actuarial and general calculations fields. Looking on are, left to right, J. F. Emms, assistant planning officer; A. M. Campbell, executive vice-president; F. J. Cunningham, vice-president and secretary; G. E. Brown, personnel executive; R. T. Wiseman planning officer, and J. F. B. Amsden, assistant actuary.

Companies Pile Up; Combs Says He'll 'Discourage' Others

LITTLE ROCK—Concern has been expressed by Commissioner Combs that Arkansas may be about to set a record for the organization of new life companies beyond any "public convenience and necessity." In a public statement issued last week, he noted that the state now has some 60 companies, a majority of which have been organized within the past six years.

The saturation point may well have been reached, the statement read. What is hoped now is "that all will succeed." The commissioner did not say flatly that he would not license any more companies, but he is certainly going to "discourage further licensing" for the time being. Arkansas' proposed insurance code, if adopted by the 1959 legislature, will raise the organizational requirements of future companies, he noted.

Principle Concern Outlined

The principal concern of the department is not with incorporators of a new company who have themselves the capital to put into the venture, with little or no public stock sale. Rather, it is with a company which comes into existence only after an intensive stock promotion campaign. The securities act now being administered by the state banking department should be "tightened up some," the commissioner said, and suggested four requirements: Limit the commission on the sale of insurance stock to 10% of the asking price; no company to be organized through the sale of stock in a holding or investment company; the majority of the directors of a domestic company to be residents of the state, and all management contracts for domestic companies to be approved by the commissioner.

Stockholders To Vote On Merger Of Ind. Insurers

Stockholders of American Income Life and Great American Life, both of Indianapolis, will vote on a merger of the latter into American Income. The merger would result in a combined income force figure of \$38 million.

Gordon Crosby Jr., general agent New England Life, was the speaker last week before Seattle Life Managers Assn. at the Washington Athletic club.

Horace Smith Heads Society Of Sales Training Executives

Horace R. Smith, assistant agency vice-president of Connecticut Mutual Life, was elected president of National Society of Sales Training Executives at the annual meeting in New York City.

For the last year he has been 1st vice-president and chairman of the planning committee. Before that he served as general program chairman, chairman of the program advisory council, and director.

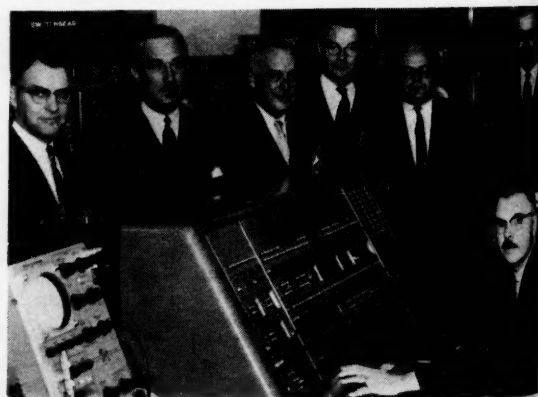
The organization was founded in 1940 "to concentrate in depth in the field of sales training and thereby create a medium for better results from training effort and budget." During World War II it served as a clearing house for the exchange of ideas for production training and other activities directly helpful to the war effort.

Since then the society's program has been broadened to include psychological testing and selection of sales personnel. It published the widely read manual, Handbook of Sales Training.

Gerhard C. Krueger, Equitable Life of Iowa, Chicago, and immediate past president of Chicago Assn. of Life Underwriters, has been appointed to the national public relations committee of National Assn. of Life Underwriters.

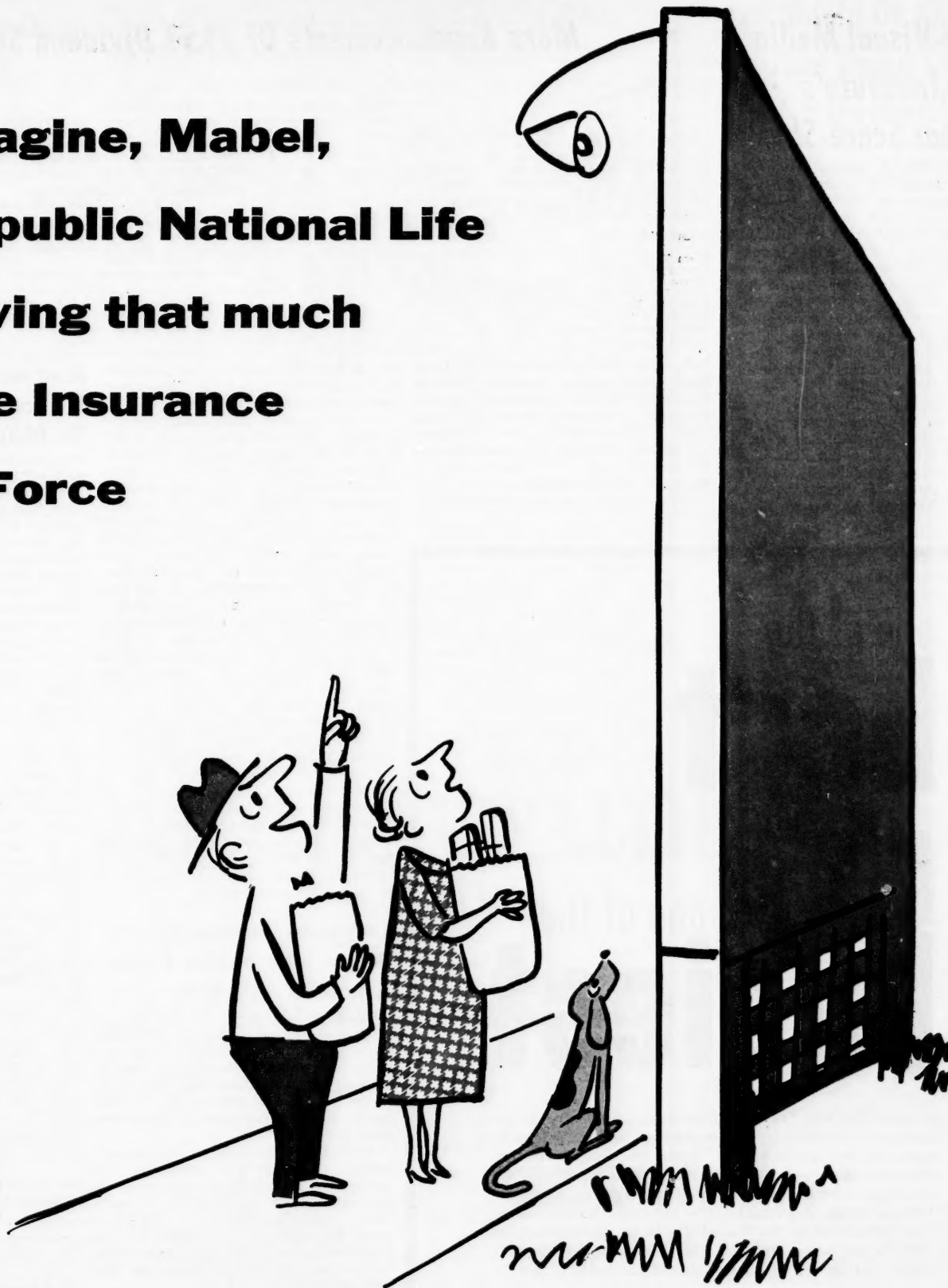


Horace R. Smith



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Well on the road to Two Billion Life Insurance in Force!

REPUBLIC NATIONAL LIFE INSURANCE COMPANY • DALLAS, TEXAS

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GROUP • FRANCHISE • BROKERAGE • COMPLETE REINSURANCE FACILITIES

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Audio-Visual Media Trace Institute's 20-Year Score-Sheet

NEW YORK—A dramatic story of public relations in action—20 years of performance by the life insurance business—was told at the annual meeting of Institute of Life Insurance at the Waldorf-Astoria Hotel here.

Through the medium of tape recordings, motion picture film clips, montages, kinescope and slide films, life insurance executives at the meeting saw and heard a fast-paced presentation of the highlights of the development of modern life insurance public relations.

The presentation included key excerpts from addresses given at previous institute meetings—especially taped for this occasion by the actual speakers where possible—by such life insurance figures as Frazar B. Wilde, Holgar J. Johnson, M. Albert Linton,

Name of Company	Current Policies	Old Policies	Funds Left with Co.		
			Non- With- draw- able	With- draw- able	Accum. Div'ds.
All Amer. Life & Cas.	Same as '58 ^a	Adjusted	2.5	2.5	3
Bankers Natl., N. J.	Adjusted	Adjusted	3	2.5	3
Canada Life Assur.	Same as '58	Same as '58	3.25	3.25	3.25
Central States H. & L.	"	"	2	2	2
Confederation Life	Same as '58 ^a	Same as '58 ^a	3.5	3.5	4
Connecticut Mutual	Same as '58	Annov.	3.6	3.6	3.5
Constitution Life	"	7% Incr.	2.5	2 & 2.5	2 & 2.5
Farm Family, N. Y.	"	Same as '58	3	3	3 & 3.5
First Pyramid Life	"	"	3	3	3
Guardian Life, N. Y.	Same as '58 ^m	Same as '58 ^m	3.1	3.1	3.1
John Hancock	Increased	Increased	3.25	3.25	3.25
Lafayette Life	Same as '58	Same as '58	3	3	3
Monarch Life, Can.	"	"	4	4	4
Natl. Farmers Union, Colo.	"	"	2.5	2.5	2.5

Gerard S. Nollen, Frederick W. Hubbell, Claris Adams, Leroy A. Lincoln, Carrol M. Shanks, Edmund Fitzgerald, Clarence J. Meyers, Edwin W. Craig, Paul F. Clark and Frederic W. Ecker, all of whom have been instrumental in shaping life insurance public relations as it exists today.

With Byron Carlson, TV personal-

ity, acting as narrator, the presentation traced the history of life insurance public relations over the last 20 years in terms of performance of the business, the interpretation of its actions to the public, both at company and institutional levels, and the public service activities by which the life insurance business has demonstrated its good citizenship and interest in community affairs. With a battery of audio-visual media the presentation demonstrated how the life insurance business has strengthened its services to policyholders and the public, through raising the qualifications of its field forces and tailoring its policies to meet the changing needs of American families. Also shown was the scope of the informational program that has been carried out with the support and cooperation of the companies, the extent to which the public relations' responsibility has increasingly been accepted by top management in recognition of the broadened requirement for modern business leadership, and finally, how a sound public relations philosophy has been evolving which today influences all the actions and thinking of the life insurance business.

Tennessee Commissioner's Reappointment May Follow Action On Auto Rates

Commissioner Arch E. Northington of Tennessee has approved substantial increases in auto liability rates and physical damage revisions which amount to an over-all raise of 4%, a factor which may have direct bearing on his being reappointed by Governor-elect Ellington.

Although Tennessee newspapers indicate a belief that Ellington will reappoint Mr. Northington, who is president of National Assn. of Insurance Commissioners, the governor-elect inferred only last week that he was holding off his decision until after action by the commissioner on the auto rates.

Sells Agency Interest

As still another factor bearing on his reappointment, it came out last week that Mr. Northington sold his interest in the King & Northington agency at Clarksville last Aug. 1 to his stepson, Jack Frost. The contract transferring Mr. Northington's interest in the agency has been examined by attorney general McCanless, who indicated that Mr. Northington is not violating any state law since he has disposed of the agency.

In the political campaign last year, Mr. Northington was charged by a political opponent with violating the conflict of interest law of the state by continuing as commissioner when he owned an interest in an agency.

Andrew Kinbacher Is National Of Canada's 1st Manager In U. S.

Andrew F. Kinbacher, who has been in the life insurance business in New York City since 1940, has been appointed as head of the first agency established by National Life of Canada. The company entered the United States recently, following its affiliation with the Glens Falls fire and casualty group.

Andrew F. Kinbacher

The company will operate only in New York for the present, though it is licensed in a total of 10 states and applications are pending in 12 other states. It will expand to operate countrywide as soon as feasible.

Mr. Kinbacher, a CLU, has been with New England Life ever since entering the business. For the last few years he has been associate general agent of the King agency, one of the company's largest, where he was responsible for recruiting, selecting and training, and for supervising the programming and estate planning work.

Mr. Kinbacher has since 1946 taught in the local life underwriters association's training course and served as faculty chairman. He is chairman of the Life Supervisors' Assn. development committee and the CLU chapter speakers bureau. Before entering life insurance Mr. Kinbacher was a reporter with the Troy (N. Y.) Record newspaper and an announcer for radio station WTRY, Troy outlet of National Broadcasting Co.

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You may telephone orders collect.

one of the
best
and one of the
busiest

Comparable year-to-date figures show that Central Life's sales have consistently run well ahead of the life insurance industry as a whole. There are several reasons why this is so—and Central Life agents agree that an important one is *true graduated premium* on all plans (except single premium). The quantity discount idea, first introduced in the United States by Central Life in 1955, is another example of the sales-minded leadership that's making one of the best one of the busiest, too!

Central Life

ASSURANCE COMPANY, DES MOINES 6, IOWA

Progressive and competitive, yes . . . but not

at the expense of financial security

ASSETS	\$160 Million
SURPLUS	\$13½ Million
INSURANCE IN FORCE	\$520 Million

Get Set To Make Dual Regulation Work, Gov. Meyner Advises

NEW YORK—Gov. Meyner of New Jersey, in his talk at the Life Insurance of America annual meeting, counseled the industry to work for the best possible system of dual regulation of the business by Congress and the states, rather than regarding it as a matter of antagonism between state and nation.

The problem should be approached as one of "proper adjustment and distribution of efforts between state and nation," he said. Hence he urged that the industry consider a study of regulation with open minds on these questions:

—"What should be assigned to Congress? It is no longer a question whether anything should be assigned. Congress is already in the business of regulating insurance as well as in the business of insurance itself.

Dependent Upon Congress

—"What should be assigned to the states? Since the Southeastern Underwriters Assn. decision, there is no question that state power is dependent on the will—indeed, on the pleasure of Congress.

—"What should be taken out of state statutes as no longer needed in the light of the maturity of the industry and the broad administrative powers usual in the regulation of the industry?

—"What should be added to state statutes to make certain that the states are fulfilling all of their obligations and responsibilities under public law 15?

Study Called 'Statesmanlike'

"It seems to me that to embark upon such a study would be a statesmanlike act on the part of your industry and I believe it would be welcomed by state insurance commissions and Congress alike. I have referred to insurance as a business and as an industry but it is much more than that. It is a national institution . . . If, by the process of self-examination and improvement you can aid the governing powers in their tasks, you will be performing a service not only to yourselves but to the nation."

Gov. Meyner quoted views of two Columbia University professors long regarded as experts in insurance law, Edwin W. Patterson and Noel T. Dowling. He said Prof. Patterson believes there will be no successful effort in Congress to enact general supervisory laws over interstate insurance activities unless state supervision proves in many ways and in many instances to be corrupt, ineffective, and controlled by political influences.

State Rule's Chief Fault

The chief fault of state supervision, as Prof. Patterson sees it, is the ineffective control over domestic companies which by mass advertising or direct mail victimize the residents of other states. Prolonged public irritation over such evils may lead to federal supervision.

Second, Prof. Patterson believes there will be some federal supervision of the insurance business which will be compatible with, and will not supersede, general state supervision. Federal power may be extended to those situations in which a state

Tells Why Mental Illness Should Not Be Made Compulsory In Health Cover

Reasons why it would be wiser to permit health insurers to cover mental illness voluntarily rather than being prohibited from issuing a policy that excludes it were given by Gerald S. Parker, A&S secretary of Guardian Life, at the hearing of the New York state joint legislative committee on health insurance plans held at Mineola. Mr. Parker spoke on behalf of American Life Convention, Health Insurance Assn. of America and Life Insurance Assn. of America. Following is Mr. Parker's statement:

I think some people may be under the impression that mental illness coverage is unusual or rare in health insurance policies. This, of course, is not the case. Health insurance covering the care and treatment of mental illness has been available to New Yorkers through insurance company policies for more than 20 years. The cost of this coverage has been included in the regular premiums.

cannot effectively suppress an evil or protect its citizens.

Gov. Meyner quoted this statement verbatim: "The honest and competent insurance organizations, especially the ones that have built up the incomparably excellent insurance facilities that we now have, are mistaken in their efforts to protect all insurers from federal regulation under all circumstances. They would be better advised to seek the most effective combination of federal and state regulation that will best protect the interests of the insuring public."

There is no "extra charge." About 6 million New Yorkers now have it in either group or individual insurance policies—issued by insurance companies.

Further, we should not forget that insurance companies have been providing (loss of income) insurance for more than 50 years. Five million New Yorkers now have this kind of insurance, and all of it covers mental illness.

Undergoing 'Explosive Growth'

Health insurance as we know it today has been undergoing explosive growth and expansion for 20 years. Benefits have been broadened and expanded through the years to meet the public need and demand. Coverage for mental illness has been provided as a part of this phenomenal development. Thus have insurance companies continued to work to fulfill their responsibilities to the people of this state, and indeed to the nation, to provide the best and most workable voluntary mechanism to help finance our health care costs.

Some 5.8 million citizens of New York now have hospital expense insurance through insurance companies; 5.6 million have our surgical expense insurance. We provide regular medical expense insurance to 2.5 million and major medical expense coverage to 1.8 million.

Most of this coverage is under group insurance policies. Almost uniformly, group hospitalization insurance covers mental illness just like any other

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Lee Shield Of ALC To Join Union Central As V-P On March 1

W. Lee Shield, associate general counsel of American Life Convention, will join Union Central Life as vice-president on March 1.

Mr. Shield served as Ohio superintendent of insurance from 1947 to 1949, and at Union Central will join another former superintendent, the company president, John Lloyd.

A graduate of Ohio State University and Franklin University, Mr. Shield was in private law practice at Sidney, O., before being made assistant attorney general of Ohio in 1940, a position he held, except for army service, until he was appointed superintendent in 1947. He is a member of American Bar Assn., Assn. of Life Insurance Counsel and American Judicature Society.

Monarch Life Names Regional Managers, 10 General Agents

Monarch Life has appointed James L. Carrier, assistant agency vice-president, and Benjamin F. Jones, general agent at Cleveland, as regional managers. Also named are 10 general agents to serve under the two new appointees.

Mr. Carrier, whose region includes New York and northern New Jersey, joined Monarch in the New York area in 1947 and became general agent at Pittsburgh in 1955. He was promoted to assistant agency vice-president last year.

Mr. Jones' new territory encompasses both Ohio and West Virginia. He also started with Monarch in 1947, becoming general agent at Cleveland in 1953.

New York Territory

The new general agents in Mr. Carrier's territory are Whiting Evans, Amityville, N. Y.; Fred A. Hulme, East Orange, N. J.; Gershen Konikow, New York, and Roger J. Nicosia, whose Nassau county agency will be headquartered in New York.

Mr. Evans, supervisor at New York since 1956, joined Monarch in 1950, and Mr. Hulme, northern New Jersey supervisor since 1957, has been with the company since 1954. With Monarch since 1953, Mr. Konikow was promoted to supervisor last January. Mr. Nicosia entered management training as a supervisor early this year.

General agents assigned to Mr. Jones' territory are Gerald N. Altieri, Lakewood, O.; Edmund R. Capaldo, Toledo; Harry E. Cole, Bucyrus, O.; Arthur L. Graham, Canton; Richard H. Porter, Youngstown, and Benson P. Shupe Jr., Euclid, O.

Were Supervisors At New Haven

Mr. Altieri, who has been with Monarch for almost five years, and Mr. Capaldo, with the company since 1955, have been supervisors at New Haven. Mr. Cole was self-employed in the insurance field when he joined the Cleveland agency in 1957. Formerly with another life company, Mr. Graham has been in personal production with Monarch for the past 18 months. Mr. Porter entered the life business with Monarch at Cleveland early last year, and Mr. Shupe, who has been supervisor at Cleveland, joined the company in 1956.

COMMONWEALTH LIFE

INSURANCE COMPANY

Season's greetings from Commonwealth—one of the Nation's billion-dollar companies.



HOME OFFICE:

Commonwealth Building
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The Tallest, Finest Office
Building in Kentucky

Diplomacy And Clairvoyance Help Some In Meeting Policy Ownership Problems

NEW YORK—Problems of policy ownership can occasionally result in such foul-ups that policy draftsmen have no refuge but everlasting vigilance, to see that the wordings of assignments, loan agreements, beneficiary designation and changes, etc., are as brief, precise and clear as possible, said Robert B. Ely III, general counsel Life of North America, at the annual meeting here of Assn. of Life Insurance Counsel.

"By groans and muttered curses, as well as by written hints, you may seek to discourage salesmen from unusual arrangements," said Mr. Ely. "But these efforts will be doomed to failure, and probably should be so, in the interest of an ever more demanding public."

"Moreover, neither brevity, precision, nor clarity will take care of those twin pitfalls, the unknown fact and the unforeseen contingency. Unsuspected minority of a well-developed owner or beneficiary may cause embarrassment in cases where statutes give no relief for handling his or her interest."

"There are too frequently owners who disappear from this vale of sorrows without a trace, joint owners whose mutual love turns to hate, as well as attaching creditors' trustees in

bankruptcy, disappointed next of kin and others—all ready for a squabble with the company in the middle. To avoid these difficulties through foresight requires wide imagination if not extra-sensory perception."

Mr. Ely said his one modern device used by a number of companies, including Life of North America, for reducing to some extent the difficulties he described is a pair of clauses by which an attempt is made to retie the bundle of rights governing policy ownership.

These clauses read in substance: "All rights under this policy are vested in the named owner" and during the lifetime of the insured the owner may transfer his entire ownership . . . immediately to a new owner . . . (or) to an owner's designee who, if living (at the) death of the owner who designated him and if such owner's rights . . . have not terminated, will then become the new owner."

Paper-Work Made Simpler

This wording, said Mr. Ely, provides a convenient method for indicating an intent to transfer all rights in the policy and is an effective method for avoiding "incidents of ownership" (as this term is used in the internal revenue code so as to minimize taxation. Moreover, the paper-work of using this device is simpler, although no different in effect, than the former method of an irrevocable designation of beneficiary, plus an irrevocable assignment of all rights. Thus, to the extent that owners can be persuaded to use this new technique, "one's throbbing in the head and ringing in the ears is reduced."

Mr. Ely pointed out, however, that these modern "ownership" provisions are permissive only. They do not preclude more complicated arrangements. Consequently, the only defense to the perils in the latter is a refusal by the company to agree to them.

Owner's Importance A Hazard

"The difficulty of adopting this course is directly proportional to the importance of the owner making the request," he said. "Thus, with gritted teeth and clenched fists, we brace ourselves for misuse of our well-drawn forms—facts omitted, contingencies over-looked, wrong form wrongly used. In desperation we put clauses into each policy to the effect that changes in ownership, assignments and designations of beneficiaries 'shall not be effective unless filed . . . and shall be without prejudice to actions taken or payments made prior hereto.' That should do it. But it doesn't."

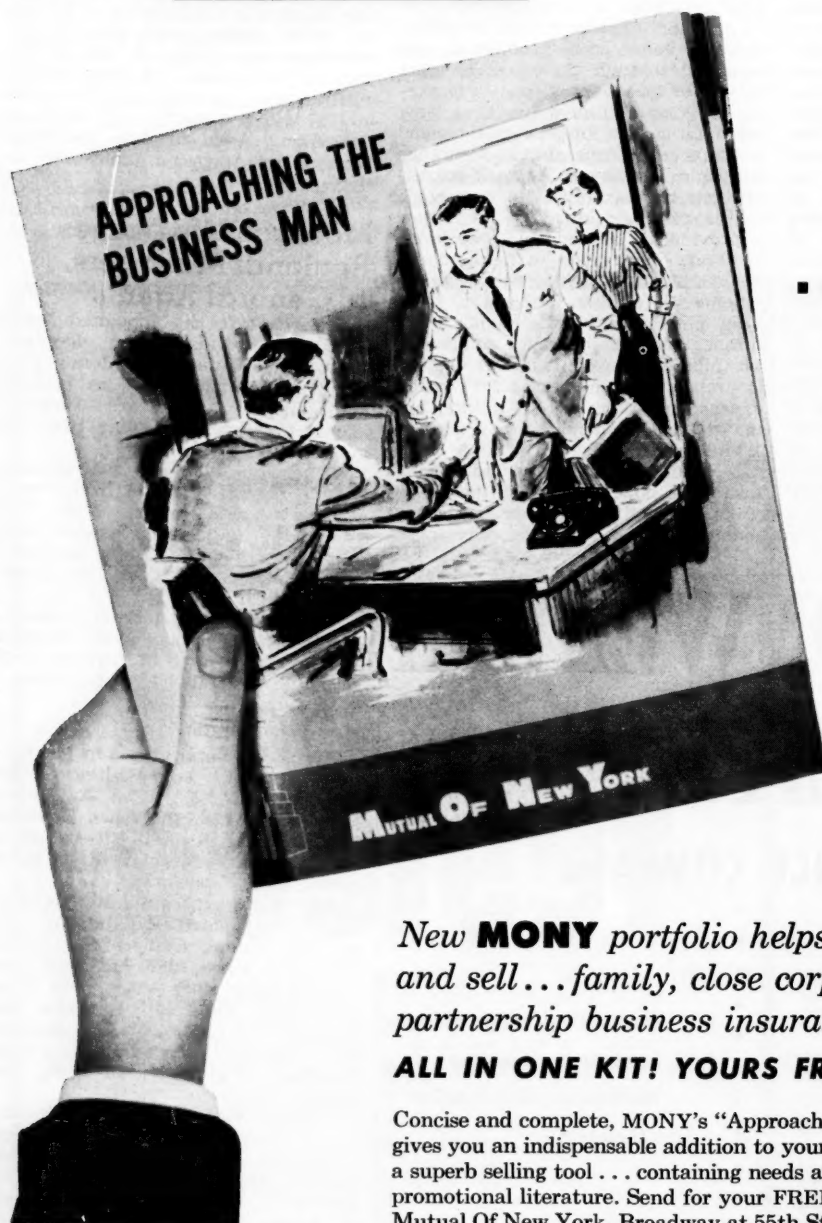
"Conflicting claims will still come in from those who once did, and those who do now (or so they think) own the policy. Tact and diplomacy will not always bring about the 'amicable adjustment' of the 'practical solution.' The shadow of the courthouse obscures the sun. Payments into court and interpleader are the Ultima Thule."

"Thus there are, in the last analysis, only three complete legal solutions, all equally unpalatable: (a) liquidate the life company; (b) resign as general counsel; (c) go back to work at perfecting forms, ever practicing diplomacy with clairvoyance."

San Francisco Agents Meet

"Recipe for Top Production" was the theme of a three-man presentation on salesmanship at the November meeting of San Francisco Life Underwriters Assn. Speakers were Jack Hanley, Equitable Society, Edward Sinclair, and Robert Haber.

Another **MONEY** Service for Brokers!



...to help
you sell
the
business
market!

New **MONEY** portfolio helps you explain . . .
and sell . . . family, close corporation, and
partnership business insurance . . .

ALL IN ONE KIT! YOURS FREE!

Concise and complete, MONEY's "Approaching the Business Man" gives you an indispensable addition to your professional library. It's a superb selling tool . . . containing needs analyses, proposal forms, and promotional literature. Send for your FREE copy today . . . write to: Mutual Of New York, Broadway at 55th St., New York 19, N. Y.

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MONEY services can help you tell your sales story clearly
... and quickly . . . can lead you to top-level commissions.
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The Mutual Life Insurance Company Of New York, New York, N. Y.
Offices located throughout the United States and in Canada

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"The greatest motivator I have ever seen..."

That's what Franklin representatives say about our new audio-visual sales presentation.

Typical Comments:

"Resulted in a sale of 20 units to a policyowner who already owned 25 units. Prospect said: 'If I had not seen this picture, you would never have sold me the additional 20 units.'"

Andrew Vander Zwaag, Jr.
Glenview, Illinois

"Showed film eight times. Result six sales. Total commission \$775.50."

James Armstrong
Washington, D. C.

"Just received my machine. One presentation. Result: ten units PPIP and \$50,000 Home Protector."

Paul Spennrath
Des Moines, Iowa

"A new man, in four days, paid for 28 units of PPIP with more than \$1400 in annualized premiums."

Farrar Newberry, Jr.
Tampa, Florida

"Successful beyond our wildest expectations."

Jack Valian
Dearborn, Michigan

"The size of a sale is doubled every time."

Ernest Brantferger
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An Agent Cannot Long Travel at a Faster Gait Than the Company He Represents!



The Friendly
FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, PRESIDENT

SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

The largest legal reserve stock life insurance company in the U.S. devoted exclusively to the underwriting of Ordinary and Annuity plans
Over Three Billion Dollars of Insurance in Force

ONE OF THE WORLD'S GREAT
LIFE INSURANCE COMPANIES

SUN LIFE ASSURANCE COMPANY OF CANADA

\$ 3 BILLION PAID IN
POLICY BENEFITS SINCE 1871

\$ 7½ BILLION LIFE
INSURANCE IN FORCE

N. J. Senate Fails To Act On Variable Annuity Bills

TRENTON—Chances for any action this year by the New Jersey senate on the series of variable annuity bills already passed by the assembly were reduced to zero when the Republican senate majority met in caucus on the final day of 1958 legislative session and refused to allow release of the bills from the business affairs committee.

This will be the third year in a row that the assembly has passed the bills only to have them buried in committee upon reaching the senate.

S. D. Life Agents File

Articles of incorporation have been filed by South Dakota Assn. of Life Underwriters with headquarters at Sioux Falls. Directors are Norman Stordahl, Sioux Falls; Arthur S. Mitchell, Brookings, and E. W. Lemonds, Sioux Falls.

Lincoln Income Life of Louisville has declared an extra dividend of 10 cents a share, payable Nov. 29.

Lincoln National Promotes Four V-Ps

Lincoln National Life has promoted Edward D. Auer, Cecil F. Cross, and



Henry W. Persons



Henry F. Rood

Henry F. Rood from vice-president to senior vice-president, a newly created executive post. Henry W. Persons was promoted from 2nd vice-president to vice-president.

Mr. Auer joined the company in 1939 as assistant manager of the



Cecil F. Cross



Edward D. Auer

mortgage loan department, and in 1945 he was promoted to vice-president and manager of that department. He has been a member of the board since 1947 and chairman of the company's finance committee since 1956. Since 1957 he has been chairman of Dominion Life which was purchased by Lincoln National.

Mr. Cross joined the company in 1920 as chief underwriter. He has been vice-president since 1945 and has been in charge of agency operations since 1947. He is a director.

With the company since 1931, Mr. Rood started in the reinsurance department, and has advanced to vice-president and actuary. He has been director since 1954. Following Lincoln National's purchase of Reliance Life in 1951, Mr. Rood became a director and vice-president of that company. He is currently a director of Dominion Life.

Mr. Persons joined the company as 2nd vice-president in 1955. He began his insurance career as an agent in Covina, Cal., in 1934.

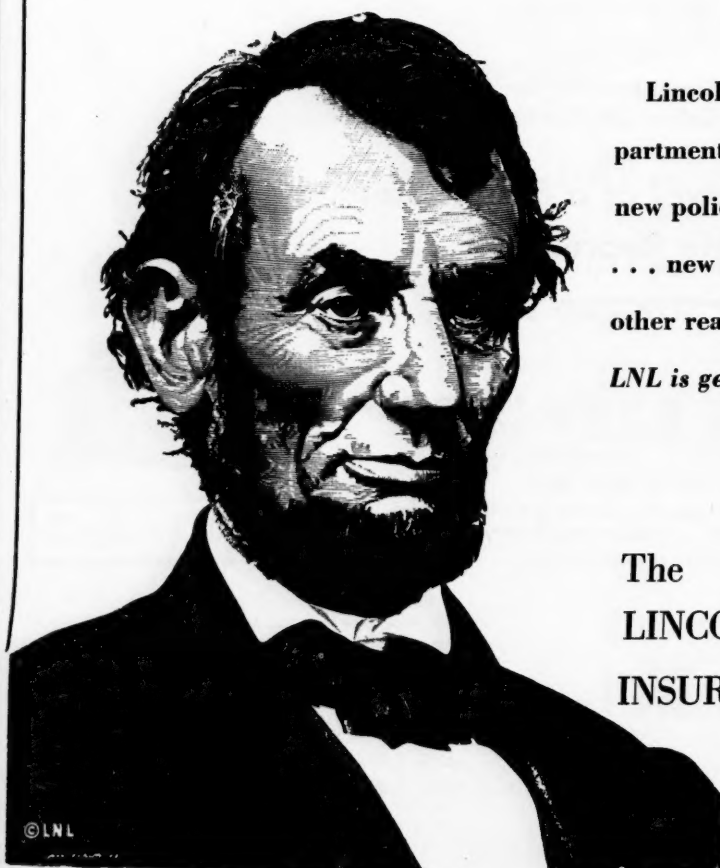
Milwaukee A&H Men Meet; Plan Kiddies' Yule Party

Members of Milwaukee A&H Underwriters Assn. heard Guys S. Williams, of U.S. Veterans Administration at the December luncheon. His subject was, "You Can't Sell Without It." The association announced that it will hold its Christmas party Dec. 19 for children of Milwaukee County Children's Home.

W. Va. Hikes Blue Shield

West Virginia insurance department has approved increases in Blue Shield rates for group and non-group members, affecting 70,000 persons in 10 counties effective Jan. 1. About \$14,000 a month in additional funds will result from the increases.

Modern Service In Pension Business



Lincoln National's new pension department is streamlined for service . . . new policies . . . new guaranteed issue . . . new simplified underwriting. Another reason for our proud claim that *LNL is geared to help its fieldmen.*

The
LINCOLN NATIONAL LIFE
INSURANCE COMPANY

Fort Wayne, Indiana

Its Name Indicates Its Character

something to *GROW* on

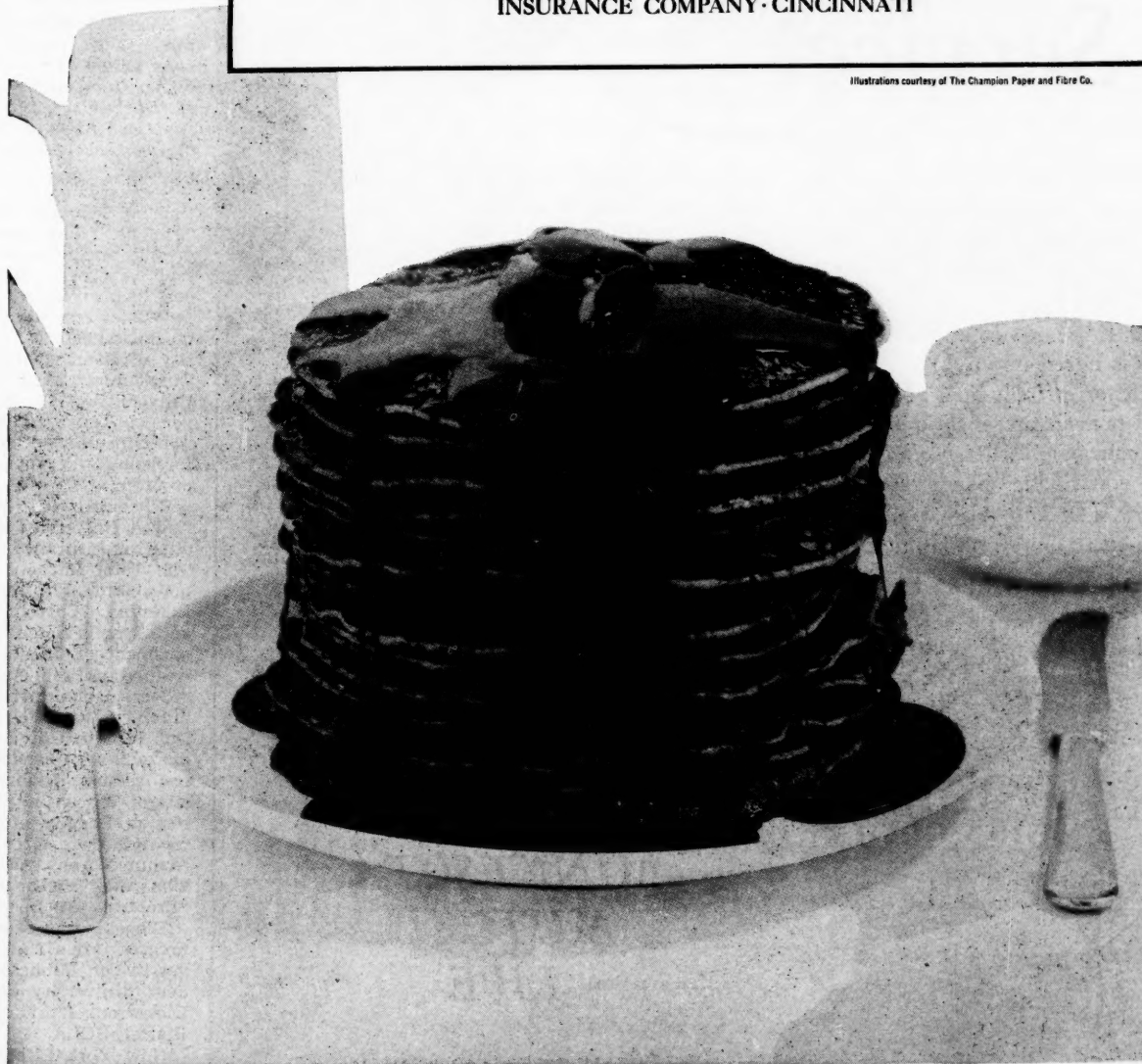
The agent who has a keen appetite for growth is the agent who will usually accomplish the most and prosper the most.

Ohio National Life's agent training and educational programs are keyed to help every agent, regardless of his skill or experience, from the newest newcomer to the million dollar producer. Manpower development to its peak ability is our objective, whether it be in the field of direct selling or in management phases. We are interested in the future of our personnel. Their continued efficiency, service and productivity is the big reason for our varied program of career training. There's no limit to what a man can learn and put into practice at Ohio National Life.



THE *Ohio National Life*
INSURANCE COMPANY - CINCINNATI

Illustrations courtesy of The Champion Paper and Fibre Co.



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Story Of Man Who Took More Than Sympathy To "Poor Jim's" Wake

In recent years so much industry emphasis has been placed on the big sale—estate planning, business insurance, minimum deposit, million dollar policies and the like—that many are inclined to forget the tremendous job that life insurance is doing every day of the week for what is generally re-

ferred to as "the small policyholder." But every once in a while the story needs retelling and it isn't very often that it gets told as well as in the vividly real story below, titled "One Death Claim," from New England Life's house organ Pilot's Log. A note appended to the title page of the story explains,

"Extensive checking has failed to disclose the author or source of this account."

I walked in the home timidly past the relatives, undertaker, and minister because I felt that this was a poor time to be talking about money. They were all commiserating on "Poor Jim." Outside of the undertaker, who might have been worrying about how he would be paid, there weren't too many worried about "Poor Mary" or the two nice-looking kids. I told the widow how sorry I was and she just nodded.

She'd heard that "how sorry" line for two days. Then I handed her a check for \$4,910 and her face lit up like a Christmas tree.

This money was all she had. There was no estate problem; this wasn't for inheritance taxes; this wasn't to be held for college education under an interest option; this wasn't to be paid under an option for 17 years until some piece of property would take over as we show in our fine brochures.

This was cash—money—now, when she needed it; for food to eat today and for clothes to wear tomorrow. It was money to bury her husband and pay the month's rent; to maintain her respect and dignity; money to pay for light, heat and water.

It wasn't enough forever, but it was enough that she could see over the mountain of debts and see some of the light on the other side. If I had taken a 100-pound weight off her back, she would have looked no more relieved than she did at that moment.

I didn't walk out of that home timidly. I strode out proudly past the undertaker, the minister, and the friends who had brought nothing but sympathy and a box to bury Jim in.

More Than Lip Service!

THIS "STAR OF THE NORTH" insignia marks a company with a friendly family attitude of mutual helpfulness . . . a company which gives *more than lip service* to a formula that works!

THIS FORMULA for successful life insurance selling is based upon (1) The right combination of *organized* sales methods, (2) Tested and proven presentations aimed at selling life insurance to fit *specific needs*, (3) Dramatic, convincing visual sales aids that *really work*, (4) And, above all, shirt sleeve down-to-earth help from Home Office

men who spend their time on the street, with the Field, before ordinary prospects, demonstrating how these tools get positive results.

IN ADDITION, our Advanced Underwriting Division recently has applied these same principles to the unlimited frontiers of Programming; Pension and Profit-Sharing Plans; Estate Planning; Wills and Trusts; Taxes; and, in a unique way, Business Insurance.

TOP THIS OFF with a better paying incentive contract, incorporating an unusual combination of persistency fees, and you have the reasons why the "Star of the North" is the guiding light to many a successful agent who has found himself with . . .



The Agent-Minded
**MINNESOTA
MUTUAL
LIFE**

Insurance Company

VICTORY SQUARE—ST. PAUL, MINNESOTA

More Speakers Listed For Insurance Teachers' Card

Eleven additional speakers and three new session chairmen have been announced by J. E. Hedges, Indiana University, program chairman of the Dec. 28-29 annual meeting of American Assn. of University Teachers of Insurance at the LaSalle Hotel in Chicago.

Speakers and their subjects are Arthur M. Weimer, Indiana University, "Functions and Goals of Business Education and Schools of Business;" Joseph Trosper, Southern Methodist, and Irving Pfeffer, UCLA, in a panel on "What Are the Unique 'Principles' of Insurance;" H. J. Loman, University of Pennsylvania, "The Insurance Curriculum;" and William Howard, University of Florida, and R. M. Stevenson, Texas A.&M., in a panel on "The Insurance Curriculum." All the foregoing will appear on the Sunday program.

Scheduled for Monday are John Cowee, University of California, "Taxation of Insurance: General Survey—The Total Impact;" James C. O'Connor, editor Fire, Casualty & Surety Bulletins, "Current Trends in Insurance;" and Victor Hansen, U. S. Department of Justice, "Anti-Trust and Regulation Problems in Insurance."

Session chairmen announced in addition to those already released are Dan McGill, University of Pennsylvania, who will head the Sunday luncheon session; Richard Heins, University of Wisconsin, who will serve in a session Sunday afternoon devoted to reports of research in progress; and Arthur Mason, Washington University, who will chairman the session on "Problems of Insurance Regulation."

Scheduled to report on research in progress are C. A. Williams Jr., University of Minnesota; Harry J. Solberg, University of California; O. D. Dickerson, Florida State; and Irving Pfeffer, UCLA.

New York Life will hold a reception Sunday evening for all registrants.

State Mutual Life has donated some 225 volumes on the subject of life insurance to Georgia State college of business administration. The books will be used in the library of a new insurance department at the college.

This is the LIFE

and it's guaranteed

Brokers from coast to coast find there's tremendous appeal in Travelers Life contracts. Take the guaranteed cost principle, for instance. You can tell your clients that the low rates are guaranteed, just as the benefits are.

Then there's the matter of service. The Travelers has a claim service network that covers the United States and Canada with more than 4,000 full-time employees in more than 250 locations.

Add to this the fact that a trained, experienced Travelers brokerage man is anxious to serve you—without charge. Yes, he'll help you plan and develop business—and you get full commissions on everything you write.

See The Travelers branch office or general agency nearest you for information about Travelers insurance. Or send the coupon for information. You'll agree this is the life.



ONE OF THE LEADING LIFE INSURANCE COMPANIES

THE TRAVELERS

HARTFORD 15, CONNECTICUT

The Travelers, Life Agency Department, Hartford 15, Connecticut

I'm interested in writing Life Insurance with The Travelers. Please have your nearest brokerage manager get in touch with me.

NAME

ADDRESS

CITY & STATE



Beneficial THOUGHTS

Christmastime

*A gleam of love-light in the eye,
A glint of gladness in the sky;
An added charm in passers by—
That's Christmas.*

*A hint of halo in the day;
A thought of others when we pray;
A gentle glow that lights the way—
That's Christmas.*

*A goodwill flame within the heart,
A zeal to act, a nobler part;
An urge the upward way to start—
That's Christmas.*

... E. C. Baird

Beneficial Thoughts for those of us in the business of life insurance.

BENEFICIAL LIFE

Insurance Company
Virgil H. Smith, Pres. Salt Lake City, Utah

ALC, LIA Petitioned For Advisory Body

(CONTINUED FROM PAGE 1)

of the 70 licensed in New York write various forms of the high early cash value contract.

One Company: 75%

The amount of business that some companies are writing on the minimum deposit plan makes the matter one of considerable proportions: One company is doing 75% of its new business on the high early cash value policy.

Asked by a reporter how the situation might be controlled, Mr. Wikler replied, "You have asked the \$64,000 question." He said the problem is especially knotty because there are many policyholders in high tax brackets who can buy such a policy to their own advantage. But the policy is also being sold to people with incomes of \$10,000 to \$15,000 a year and there is little chance that they will ever be able to pay off the debt, so they are saddled with an ever-increasing cost, he pointed out.

May Be Uninsurable

Mr. Sackman added that the policy finally becomes so expensive that very likely the policyholder has no recourse but to drop it, at which time he may well be uninsurable.

Asked what is the main fault with the minimum deposit plan, Mr. Wikler said it is impossible to put one's finger on any single factor. But he commented that if the buyer finds his income is a little decreased he may be in a bad hole, because the high minimum policy size, usually \$25,000, has probably caused him to give up other insurance in order to take the new policy.

Mr. Wikler opined that if the policy were fully explained to the buyer, "You'd need a different pair of glasses to sell the contract."

Must Have State Sanction

Whatever remedies are adopted can only be effected in cooperation with the insurance department, Mr. Sack-

man pointed out. If the companies got together on their own they would be running the risk of violating anti-trust laws.

Could minimum deposit develop to the point where it would be regarded as a racket, and a discredit to the business, someone asked. Mr. Sackman said that in fairness to the companies it should be said that if they had foreseen the pitfalls they might have avoided them. He was referring particularly to the high lapse rates experienced on the minimum deposit plan. He pointed out that while the plan has been written in one form or another for many years the big boom has only been developing in the last two to three years and it takes a certain time for lapse rates to show up as being different from the general run of a company's business.

Mr. Wikler observed that in some companies the commission plus the general agent's allowance for expenses plus the first year cash value add up to quite a bit more than 100%. In one company it is about 113%. If this kind of business lapses early, the company stands to lose seriously.

Opens Milwaukee Branch

North American L.&C. has opened a branch office in Milwaukee under Frederick A. Severson.

Convention Dates

Dec. 15-19, National Assn. of Insurance Commissioners, midwinter, Roosevelt Hotel, New Orleans.

Dec. 28-29, American Assn. of University Teachers of Insurance, annual, LaSalle Hotel, Chicago.

1959

Jan. 29-30, Life Underwriters Assn. of Canada, annual, King Edward Hotel, Toronto.

Feb. 16-18, Health Insurance Assn., group insurance forum, Biltmore Hotel, New York.

Feb. 20-21, New York State Assn. of Life Underwriters, general agents and managers meeting, Gideon Putnam Hotel, Saratoga.

March 15-20, National Assn. of Life Underwriters, mid-year, Leamington Hotel, Minneapolis.

March 16-18, LIAMA, agency management conference, Edgewater Beach Hotel, Chicago.

March 19-20, Society of Actuaries, eastern meeting, Commodore Hotel, New York.

April 20-22, LIAMA, A&S meeting, Edgewater Beach Hotel, Chicago.

May 4-6, Health Insurance Institute, Bellevue-Stratford Hotel, Philadelphia.

May 6-8, LIAMA, combination companies conference, Roosevelt Hotel, New York.

May 10-13, LIAMA, agency office's round table, The Homestead, Hot Springs, Va.

May 15, Illinois Assn. of Life Underwriters, annual, Hotel Leland, Springfield.

June 8-12, NAIC, annual, Statler Hotel, Boston.

June 11-12, Society of Actuaries, western meeting, Fairmont and Mark Hopkins Hotels, San Francisco.

June 11-13, ALC medical section, The Homestead, Hot Springs, Va.

June 14-17, International Assn. of A&H Underwriters, annual, French Lick-Sheraton, French Lick, Ind.

June 15-26, ALC life officers investment seminar, Beloit College, Beloit Wis.

Sept. 20-25, National Assn. of Life Underwriters, annual, Bellevue-Stratford Hotel, Philadelphia.

Oct. 12-16, American Life Convention, annual, Edgewater Beach Hotel, Chicago.

Oct. 29-31, Life Advertisers Assn., annual, Drake Hotel, Chicago.

November 9-13, LIAMA, annual, Queen Elizabeth Hotel, Montreal.

November 16-18, Health Insurance Assn., individual insurance forum, Biltmore Hotel, New York.

November 29-31, Society of Actuaries, annual, The Greenbrier, White Sulphur Springs, W. Va.

ALWAYS ROOM FOR ONE MORE...



Reproduced through the courtesy of Box Cards, Inc.

because all new arrivals in the family are protected automatically with Life and Casualty's Family Protection Plan.

Life and Casualty's Family Protection Plan is the ideal solution for the young family who needs a low cost starter for their family insurance program, as well as for the established family who truly needs extra protection on each family member.

The Family Protection Plan is designed especially to meet the protection needs of each member of the family, and provides needed insurance on all family members with one policy and one premium.

Life and Casualty writes the Family Protection Plan in the Weekly Premium and Ordinary Departments.

Life and Casualty
Insurance Company of Tennessee

HOME OFFICE
NASHVILLE

Life Insurance in Force
Over \$1,500,000,000.

Says Income Levy Not Sole Govt. Tax Concern

(CONTINUED FROM PAGE 1)
against the values and proceeds of life insurance policies owned by delinquent taxpayers.

Activity of the federal government in health insurance was evidenced by the court efforts of the Federal Trade Commission to implement its claims to authority to regulate A&S insurance advertising, as well as congressional interest in cash sickness insurance, reinsurance, non-cancellation of A&S policies, and the continuing possibility of compulsory health insurance listed by AFL-CIO executive committee as "major areas in which action is long overdue" is the proposed Forand bill to provide hospital and surgical care for OASDI beneficiaries.

Cites Social Security Changes

Mr. Thore also cited the 1958 amendments to the social security act, the White House conference on aging, and unemployment compensation for life insurance agents as being among the more significant developments in security this year.

In the monetary and debt management field, Mr. Thore pointed to recent and prospective monetary inquiries, such as the interest rate question, and to the increasingly difficult subject of federal appropriation and budget legislation. In the investment field, housing and mortgage lending, the voluntary home mortgage credit program and government inquiries into the nation's housing and home finance credit needs are also items of active and continuing consideration.

Government Workers Coverage

Also mentioned in Mr. Thore's report were insurance for federal civilian and military personnel, including federal employees' group life insurance, and a proposal for federal employee group health insurance, armed forces survivor benefit legislation, changes in National Service life insurance, amendments to the soldiers and sailors civil relief act and legislative extension of the "Medicare" program of health care for families of servicemen.

More Centralized Government

Commenting on the effects of the November elections on Washington trends, Mr. Thore said:

"We feel that the makeup of the new Congress is a continuation of the long-range trend toward larger and more centralized government . . . We also feel, however, that this trend must be understood in relative terms and not considered an absolute political force which can be predicted with certainty to produce a particular result in any given area. It may express itself differently, for example, with respect to fiscal matters than it does in the field of social legislation. The traditional conservative coalition is reduced numerically but still should not be discounted as a political balance wheel."

In the regulatory field, Mr. Thore pointed to such major considerations as federal welfare and pension plan legislation, life insurance sales to members of the armed forces, anti-trust investment pre-acquisition notification legislation, the beginning of the O'Mahoney hearings on state regulation and public law 15, and regulation of unlisted securities and variable annuities under the securities exchange act.

Boston Mutual insurance in force totaled \$312 million on Oct. 31.

Lincoln National Has New Package Plans

Lincoln National Life has three new package plans for groups of 10 to 25 employees. The plans are built around the new MM-5 controlled major medical coverage recently approved in all states for groups of 25 or more lives.

Features of the plans include the advantages of the traditional base plans and the maximum catastrophe benefits of major medical plans; protection against major, as well as minor, illnesses and injuries; extends coverage to many types of charges not ordinarily covered under base plans; the sole discretion of those rendering employer's over-all costs are not at the sole discretion of those rendering the services; benefits provided for pre-existing conditions are controlled, and eliminates payment for medicine and drug items when the patient is not a hospital resident.

James M. Voss & Associates and the regional group office of Union Mutual Life at Boston recently held an open house.

information
inspiration
motivation

TO
HELP
YOU
SELL
MORE

Third Printing now

off the Press!

The R & R READY REFERENCE POCKET MANUAL

Here, in a pocket-size book, is a whole library of life insurance sales material—getting attention . . . uncovering needs . . . answering objections . . . life insurance as an investment . . . programming ideas . . . business insurance essentials . . . taxes . . . government benefits, etc.—all indexed and at your fingertips.

Every agent should keep a copy with him at all times.

412 pages, 3 x 4 3/4 size,
leather-grained binding.

Single copy, \$3.60; 2 to 9 copies,
\$3.48 each.

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HILBERT RUST, C.L.U. President
INDIANAPOLIS, INDIANA

THE KEY TO A QUALITY MARKET WITH AN URGENT NEED

The hazard of financial disaster because of disability often is greater than the money problems of death or old age. This need for guaranteed, long term disability income—if presented clearly and effectively to management and key personnel—will get attention, interest, and a willingness to buy.

These two brochures offer Provident's exclusive and highly successful solution to the problem of a substitute income during long term disability. The problem and the solution is presented clearly, simply, and effectively. Groups as small as five are eligible.

Write for brochures S-1 and S-2

PROVIDENT
LIFE AND ACCIDENT

LIFE • ACCIDENT • SICKNESS
HOSPITAL • SURGICAL • MEDICAL

Insurance Company

CHATTANOOGA

Record Death Claims Seen As Result Of Traffic Fatalities

The large number of traffic deaths this year is expected to result in a record total of death benefit payments for such fatalities with the 1958 aggregate probably reaching \$115 million, according to Institute of Life Insurance.

Benefits paid on traffic deaths during the first nine months were \$85

million, compared with \$82 million for the same period last year, even though the death rate from this cause is reported to be down this year. Five years ago the total was only \$55 million for the nine months, the institute said.

The number of policies involved in death claims growing out of motor vehicle accidents was 34,000 in the first nine months, but, the institute said, the number of lives were somewhat less than in 1957 since many insured owned more than one policy.

Lower Mortality Of Women Called Minor Reinsurance Factor

While Republic National Life plans to announce a reduction in female rates for reinsurance, the company does not consider it a major step, because of the relatively small amount of possible saving, said Malcolm D. Thomas, assistant vice-president of Republic National, at the annual meeting of Institute of Home Office Under-

writers in Hollywood, Fla.

Only a small percentage of the business Republic National sees is female lives and a large segment of involves juveniles where further reductions cannot be given. For an average setback of four years on yearly renewal term reinsurance rates, the over-all reduction in costs would be less than 1 1/4%. Republic National studies further showed that the average size policy on females is less than 70% of that of males. Although there is a better mortality on females, there is a higher unit cost because of the lower average size policy.

"In general, I think we will continue to observe smaller average size policies despite such gimmicks as minimum amount policies, cheaper by the dozen, etc.," said Mr. Thomas.

While women are not considered good disability risks, he said, making waiver of premium automatic with issue is justified because of the spread so obtained.

As for term insurance on women, Mr. Thomas conceded that term must be underwritten with care but said he failed to see why it should be considered more speculative just because of being on a female life, provided the amount is in keeping with the financial picture of the family.

On the score of persistency, he said he doubted that any company has made a comparison of persistency between male and female business, but "since the purse-strings of so many families are opened, stretched, and closed by the wife, I wonder if she would be a more persistent life risk."

Life Companies 1958 Investment In Securities Is \$1,652,000,000

According to Institute of Life Insurance, new capital made available by life companies to business and industry through investment in securities in the first three quarters of 1958 was \$1,652,000,000, which brought the aggregate of such holdings to \$43,785,000,000 at the end of September. Mortgage holdings in the nine-month period increased \$1,191,000,000, bringing the total to \$36,462,000,000. Holdings in U. S. government securities rose \$279 million in the first three quarters for a total of \$7,307,000,000.

Investment in commercial and industrial rental properties totaled \$2,049,000,000 on Sept. 30, a gain of \$229 million over a year ago.

MANAGEMENT CONSULTANTS

O'TOOLE ASSOCIATES

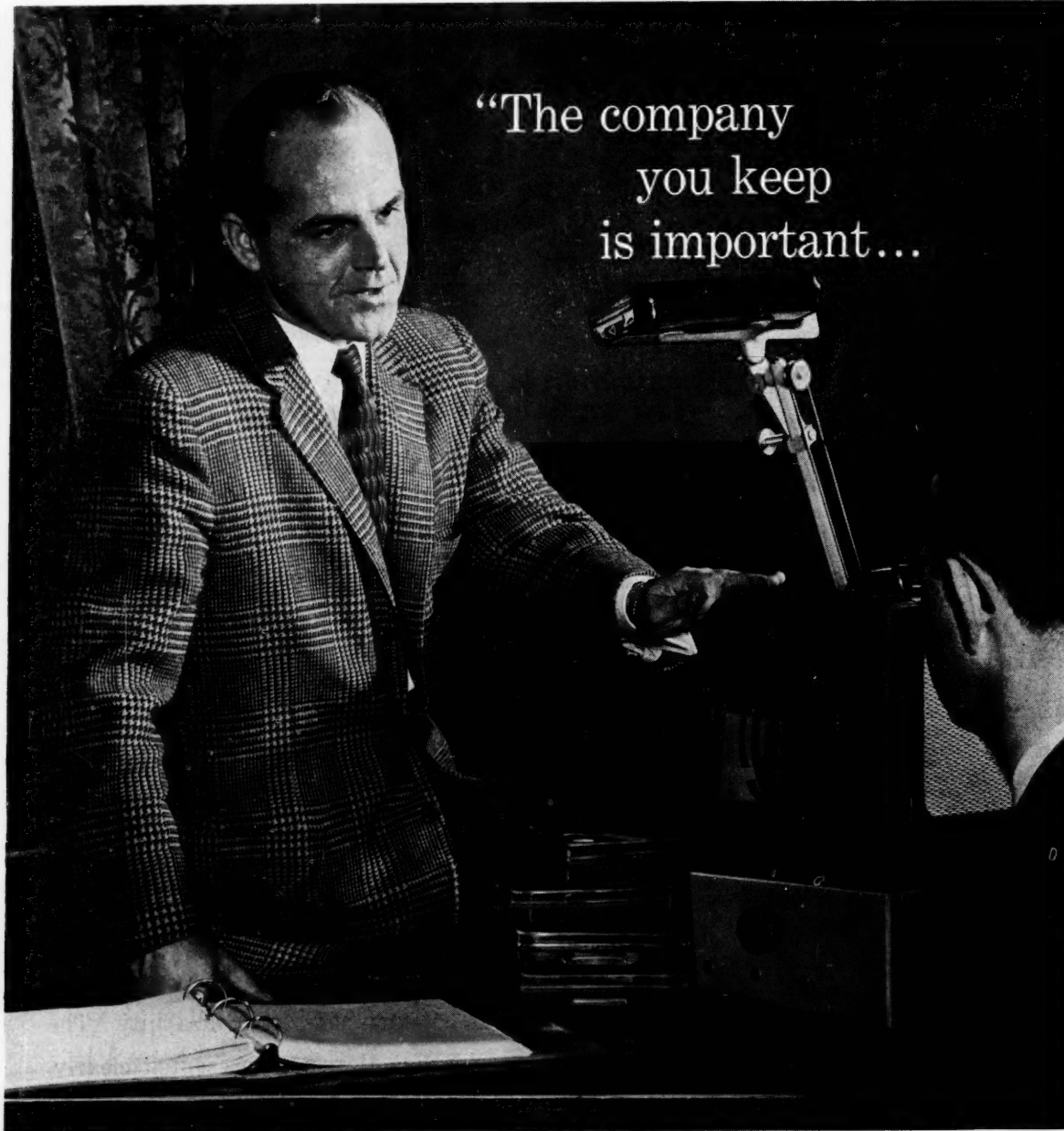
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you keep
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...actually, a lot more important to your professional success than it is to your social life."

"I guess you mean that my chances of success are better if I go with one company than they would be if I went with another."

"Exactly. You want a company soundly managed and widely known for its interest in providing quality service for its policyowners. You want a company equipped to train you in the latest sales methods, using the most modern techniques, such as Berkshire's new "Cinematic Learning", an industry-first film training program. This kind of training will make you more valuable to the company, and to policyowners as well. That should be most important to you—a company

genuinely interested in your personal long-range success, not just in hiring you for a fling at selling."

"That sounds like good advice."

"You bet it is, and Berkshire Life is 100% that kind of company. That's why I'm convinced that today Berkshire presents the greatest potential for personal growth in the industry!"

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Life, Accident & Sickness, Pension Plans, Annuities

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In Accident and Sickness selling, it's *quality* that makes the difference!

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Editorial Comment

Don't Underestimate Sen. O'Mahoney

Sen. O'Mahoney's disappointing performance at the recent annual meeting of National Assn. of Independent Insurers should not mislead anybody into underestimating the power of the Senator when he gets into the life insurance phase of his investigation, probably late next spring.

At the NAI meeting, as reported in THE NATIONAL UNDERWRITER two weeks ago, Sen. O'Mahoney seemed to want to talk about numerous other matters a lot more than about the insurance investigation. What little he said about the investigation, both in his talk and at the press conference, seemed vague and at times cryptic.

But when he is playing on his home field the Senator is anything but vague and cryptic. He is a sharp-minded inquisitor, whose effectiveness is enhanced by the graciousness and suavity with which he asks those innocent-sounding questions. At the NAI meeting Sen. O'Mahoney was simply not telegraphing his punches. He said what he wanted to say about the investigation and then fell back on the communist menace or whatever other topic he felt like discoursing on, rather than revealing more about his insurance probe than he felt was strategically sound.

The life insurance business may have the strongest possible conviction that it has done nothing that the O'Mahoney investigation can make capital out of, but it is sure to have plenty of bad moments. A Congressional committee investigation is a form of trial by combat—and the inquisitors are operating in their home territory and setting the rules for the contest.

The way it works out is that a witness can figure he is going to be regarded as guilty until he can prove himself innocent. If he oversimplifies his answer to a question, in order to make it intelligible to non-technicians, he is likely to be tripped up. If he tries to be technically accurate he will probably be put in an unfavorable light as one who is trying to confuse the issue by double-talk.

Those who sat through the temporary national economic committee hearings of 20 years ago won't need to be told how a committee can make headlines with nothing much to base them on. But the life insurance business will be facing something that it didn't have to contend with in the TNEC investigation. That is the fact that the insurance industry is subject to federal control when it operates interstate and the states regulate it only on Congressional sufferance. Congress doesn't need a constitutional amendment to get back all or part of the control that it ceded to the states in public law 15.

The O'Mahoney investigation is part of an anti-monopoly inquiry but it is obvious that it can cover a lot of territory that is not strictly within the anti-monopoly corral. Sen. O'Ma-

honey is not shying away from any phase of real or fancied state-regulation weakness just because there is no obvious monopoly angle involved. He seems to be going along these lines: Do abuses exist? Does the federal government have the authority to deal with them? Do the states have the authority to deal with them—and if so are they exercising it? Is federal regulation needed?

The life insurance industry has an excellent story to tell, and if it is wise and is represented by good witnesses it should come out again "with flying colors," as Sen. O'Mahoney ungrudgingly said of it at the conclusion of his TNEC investigation.—R.B.M.

Deaths

GEORGE F. BURNS, 35, manager of Columbian National at Portland, Me., died from injuries received in an automobile accident.

A. S. BURKART, 82, retired executive vice-president of the former Conservative Life of South Bend, died there after an illness of six months. He retired in 1947.

Personals

William F. Umphrey, the new general agent of Mutual Benefit Life at



W. F. Umphrey



N. D. Comerford

Grand Rapids, and **Neil D. Comerford**, recently appointed general agent at Lansing, whose appointments appeared in the Dec. 6 issue, will take over the territory formerly served by Raleigh R. Stotz who is retiring from management duties. Mr. Umphrey has been county chairman for the local muscular dystrophy organization at Grand Rapids and an active participant in Community Chest and Y.M.C.A. drives. Mr. Comerford has been captain of the business gifts committee of Hartford Community Chest and active in the Hartford Junior Chamber of Commerce.

Byron K. Elliott, president of John Hancock, has been elected a director of Boston Edison Co.

Roy Tuchbreiter, chairman of Continental Casualty and Continental Assurance, has been named chairman of the blue ribbon jury investigating

the fire last week which destroyed Our Lady of Angels School in Chicago and claimed the lives of 89 children.

Adm. Sidney W. Souers, chairman and chief executive officer of General American Life, has been elected to the board of trustees of Westminster College of Fulton, Mo.

Hemispheric Conference To Act On Resolutions

At the Hemispheric Insurance Conference in Caracas, Venezuela, it was agreed that the host country will be responsible for following up all recommendations made at this and future meetings. Accordingly, Venezuelan insurers' associations will maintain contact with associations of all western hemispheric countries to check on resolutions passed this year. The Venezuela insurers will report their findings at the 1960 conference, tentatively scheduled for Havana.

Insurance superintendents from Brazil, Argentina, Ecuador, Colombia and Venezuela attended the conference and recommended setting up an association of Latin American superintendents for a continuing interchange of thought on mutual problems. The five superintendents have scheduled a meeting in Buenos Aires in 1959 to further this project.

Delegates From The U. S.

Among the delegates at Caracas from the U. S. life industry were **A. L. Kirkpatrick**, manager of the insurance department of U. S. Chamber of Commerce; **Laurence F. Lee**, president of Peninsular Life; **Holgar J. Johnson**, president of Institute of Life Insurance; **Lester O. Schriver**, managing director of National Assn. of Life Underwriters; **Ralph R. Lounsbury**, president of Bankers National Life, and **W. D. Grant**, executive vice-president, and **John G. Phillips**, vice-president, both of Business Men's Assurance.

Also, **Victor C. D'Unger**, reinsurance secretary of Lincoln National Life; **John A. Diemand**, president of Life of North America; **Fritz G. Lindley**, vice-president of Pan-American Life; **George W. Young**, vice-president, and **Richard Smith**, both of Connecticut General; **W. N. Stannus**, vice-president of Republic National; and **Levering Cartwright** of Cartwright, Valteau & Co., Chicago insurance stock investment specialists.

Stocks

By H. W. Cornelius, Bacon, Whipple & Co.
135 S. LaSalle St., Chicago, December 9, 1958

	Bid	Asked
Aetna Life	223	226
Beneficial Standard	17½	18½
Business Men's Assurance	100	105
Cal-Western States	110	115
Columbian National	118	122
Commonwealth Life	27½	28½
Connecticut General	333	340
Continental Assurance	170	175
Franklin Life	83½	85
Gulf Life	25½	26½
Jefferson Standard	94	96
Kansas City Life	1570	1600
Liberty National Life	50	52
Life & Casualty	22	23
Life of Virginia	54	56
Lincoln National Life	244	250
National L. & A.	111	114
North American, Ill.	21½	22½
N. W. National Life	93	Bid
Ohio State Life	285	310
Old Line Life	57	60
Old Republic Life	24½	25½
Republic Natl. Life	55½	57
Travelers	96½	98
United, Ill.	50½	53
U. S. Life	44½	46½
Washington National	56	60
Wisconsin National Life	67	70

The NATIONAL UNDERWRITER



The National
Weekly Newspaper of
Life Insurance

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SALES OFFICES

ATLANTA 3, GA.—432 Hurt Bldg., Tel. Murray 8-1634. Fred Baker, Southeastern Manager.

BOSTON 10, MASS.—60 Federal St., Rm. 342, Tel. Liberty 2-9229. Roy H. Lang, Southern New England Manager and Dana L. Davis, Northern New England Manager.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2-2704. A. J. Wheeler, Chicago Manager. R. J. Wiegand and William D. O'Connell, Resident Managers.

CINCINNATI 2, OHIO—420 E. Fourth St., Tel. Parkway 1-2140. Chas. P. Woods, Sales Director. George C. Roeding, Associate Manager. Roy Rosenquist, Statistician.

CLEVELAND 14, OHIO—1367 E. 6th St., Lincoln Bldg., Rm. 208, CH 1-3396. Paul Blesi, Resident Manager.

DALLAS 1, TEXAS—309 Employers Insurance Bldg., Tel. Riverside 7-1127. Alfred E. Cadis, Southwestern Manager.

DENVER 2, COLO.—234 Commonwealth Bldg., Tel. Amherst 6-2725. J. Robert Ebelhardt, Rocky Mountain Manager.

DES MOINES 9, IOWA—327 Insurance Exchange Bldg., Tel. Atlantic 2-5966. D. J. Stevenson, Resident Manager.

DETROIT 26, MICH.—613 Lafayette Bldg., Tel. Woodward 5-2305. William J. Gessing, Manager for Indiana and Michigan.

INDIANAPOLIS 20, IND.—5634 N. Rural St., Tel. Clifford 3-2276. William J. Gessing, Manager for Indiana and Michigan.

MINNEAPOLIS 2, MINN.—1038 Northwestern Bank Bldg., Tel. Federal 5-5417. Howard J. Meyer, Northwestern Manager.

NEW YORK 38, N. Y.—17 John St., Room 1027, Tel. Beekman 3-3958. J. T. Curtin and Clarence W. Hammel, New York Managers.

NEWARK 2, N. J.—10 Commerce Ct., Tel. Market 3-7019. John F. McCormick, Resident Manager.

PHILADELPHIA 9, PA.—123 S. Broad St., Room 1027, Tel. Pennypacker 5-3706. Robert I. Zoll, Middle Atlantic Manager.

ST. LOUIS 2, MO.—221 Pierce Bldg., Tel. Chestnut 1-1634. Geo. E. Wohlgenuth, Resident Manager.

SAN FRANCISCO 4, CAL.—582 Market St., Tel. Exbrook 2-3054. Robert L. McMullen, Pacific Coast Manager.

CHANGE OF ADDRESS

Be sure to enclose mailing wrapper with new address. Allow three weeks for completion of the change. Send to subscription office, 420 E. Fourth St., Cincinnati 3, Ohio.

Wilde Says Minimum Deposit Abuses Could Bring Federal Protests

(CONTINUED FROM PAGE 1)
Fallacy was exposed and sound selling on a constructive basis re-established.
"Now, to the amazement of most of us, a relatively few companies are unintentionally giving aid and comfort to the same 'twisting' technique. The vehicle provided is the high-cash-value-in-early-years policy. The arguments of the twister are the old discredited ones of the 1930s. Because the arguments are based on discrediting level premium insurance and are just as false as they ever were, this type of selling will not long survive. Meanwhile, many policyholders will suffer serious losses, and the business will lose stature with many people. Special policies to meet special situations are proper. Special policies which lend themselves to misrepresentation, misunderstanding, maximum borrowings and unwarranted tax avoidance, and which may be inequitable to other policyholders are not calculated to further the interests of the business or in the long run the individual company which enjoys a short-run sales success at the expense of its future reputation.

"A Rising Tide Of Protests"

"In my opinion this type of practice, if continued, will lead to a rising tide of protests by insurance departments or even by the federal government, which seems to be looking for an opportunity to override state supervision and the answers which they are likely to furnish may not be happy ones for the business of life insurance." By the year-end approximately \$493 billion of life insurance will be in force in the United States in legal reserve life insurance companies covering some 112 million policyholders, Mr. Wilde reported.

This will be an increase of almost 8%. Approximately \$288 billion will be under ordinary policies, about \$145 billion under group contracts, \$40 billion under industrial policies and the remaining \$20 billion will represent credit insurance.

Legal Reserve Sales Down

However, Mr. Wilde said, sales to United States residents by legal reserve companies during the year will be about 2% below last year's volume and are expected to approximate \$65.5 billion. Of this total, \$47.5 billion will reflect new ordinary, about \$11.5 billion new group, and about \$6.5 billion new industrial.

Appointed To Head John Hancock's Two New Agency Divisions

John Hancock has created two new divisions within the district agency



Paul E. Eagan



Merrill W. Kidman

organization, one for administration and the other for marketing management. The new division of administration will have Merrill W. Kidman, former superintendent of agencies, as director and Paul E. Eagan, director of sales promotion, becomes director of the marketing management division.

Administrative Responsibilities

The administration division will be responsible for interpreting policy in field management functions, coordination of field management practices and procedures and general control of agency development and personnel administration in the district agency department.

The division of market management was created to effect closer coordination between field training, sales service, sales promotion and marketing services.

Joseph A. Smith, supervisor of sales promotion, will succeed Mr. Eagan and David F. Jackson Jr., agency assistant, becomes supervisor of sales promotion.

Benefit payments this year are expected to reach an annual total of \$9.5 billion, up almost 9%. Benefit payments under life insurance policies and annuity contracts will approximate \$7.3 billion, of which about \$4.3 billion will be paid to living policyholders as matured endowments, annuity benefits, policy dividends, surrender values and other payments. The remaining \$3 billion represents payments to beneficiaries. Benefits under A&S contracts will total over \$2.2 billion in 1958.

Mr. Wilde's talk will be more completely covered in next week's issue, when some of the other talks omitted from this edition will also be reported.

TO MEET THE CHALLENGE OF TURNOVER

a new CAREER INTRODUCTION program



As a valuable selection device, informal precontract training has won substantial recognition. Manufacturers Life takes this concept several steps further with the Career Introduction Program. It's a three-in-one agency building package designed to help our Managers interest good men in the Life Insurance career, present a training sample, and select the potentially successful man.

"Career Introduction" is a brief course that pictures the career opportunity, the product and the market; measures the prospective agent's market, and tests for such factors as call reluctance and ability to absorb training — before the career contract is signed.

When those that survive this screening are put under contract, and enrolled in the Company's regular training program, both Managers and new men can be confident that the odds for success are high.

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HEAD OFFICE: Toronto, Canada

68-58

Outstanding Sickness & Accident INCOME PROTECTION

Non-cancellable, guaranteed renewable to Age 65 — at guaranteed premium rates, non-aggregate, no house confinement, optional hospital-surgical-medical benefits. Sickness benefits from one year to ten years—Accident from two years to lifetime. (Also participating life insurance and all types of group insurance!)



Expansion program provides openings for qualified General Agents in selected areas.

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BOSTON 15, MASSACHUSETTS

A Career in the Making with the ILLINOIS MUTUAL Life and Casualty Company

A Portfolio power packed with saleable policies is your assurance of a profitable and successful career. Here is a Company with a reputation for Quality Coverage, Outstanding Service, High Integrity, and Capable Management.

Everyone Needs Life, Disability and Medical Care Expense Insurance. For 48 years Illinois Mutual has been a pioneer in Accident-Sickness-Hospital Insurance, and now offers a complete Life Insurance Program.

Inquire about our Direct Contract or Brokerage Arrangement—High Commission Rate—1st Premium and Renewals!



E. A. McCord
President

(formerly: Illinois Mutual Casualty Company)
"DEPENDABLE INSURANCE SINCE 1910"

Home Office
Peoria, Illinois



Changes In The Field

Prudential

Forrest D. Long, manager at Harrisburg, has been promoted to central Pennsylvania director of agencies, headquartered at Harrisburg, to succeed John E. North who has been named head of the Delaware-Maryland region, based at Baltimore. Mr. Long joined Prudential at Harrisburg in 1932

and was named manager at Reading in 1945. Mr. North became director of A&S sales in 1951 and was named director of agencies at Reading in 1956.

John S. Politi, former training consultant of the Long Island region, has been promoted to manager at Jersey City to succeed Henry S. Bedell, who has been appointed manager at Hackensack. Mr. Politi joined Prudential

in 1950 at Hempstead, N. Y., where he was named manager in 1954.

Federal Life

R. Ralph Fluckey has been appointed manager at Detroit and James R. Mannell is the newly appointed manager on the Chicago southside. Mr. Fluckey will specialize in life and A&S. Prior to joining Federal Life, Mr. Mannell was assistant manager of Mutual Life of New York at Chicago

Mutual Of New York



J. Richard Clarke

J. Richard Clarke has been named manager at Boise, Idaho. He joined Mutual of New York in 1952. He was advanced to assistant manager at Idaho Falls in 1957. He was subsequently promoted to the home office sales staff managerial position.

Stephen J. Vann, formerly with the Pension Institute and New York Life, has joined group office at New York and specialize in the design and service group pension plans.

John Hancock

William F. Cass, assistant district manager at Poughkeepsie, has been promoted to supervisor of field training of the mid-continent area. He will be attached to the regional office at Chicago. He joined John Hancock at Torrington, Conn., in 1952.

Franklin Life

Appointment of Calvert Hall as executive director of sales for North Carolina has been made by Franklin Life. Mr. Hall has been in the life insurance business since 1952 when he joined Prudential in New Jersey as a special agent. In 1956 he was appointed division manager.



Calvert Hall

Occidental Of Cal.

William D. Henderson has been appointed assistant brokerage manager at Dallas. He was formerly with Republic National Life in Dallas for the past four years.

Bankers Life Of Iowa



John A. Ball

John A. Ball has been named agency manager at Nashville, Tennessee. He joined Bankers Life of Iowa. Prior to joining the company, Mr. Ball was assistant manager there for Mutual Life of New York. He entered the life insurance business in 1953 with Prudential where he remained five years before joining Mutual of New York.

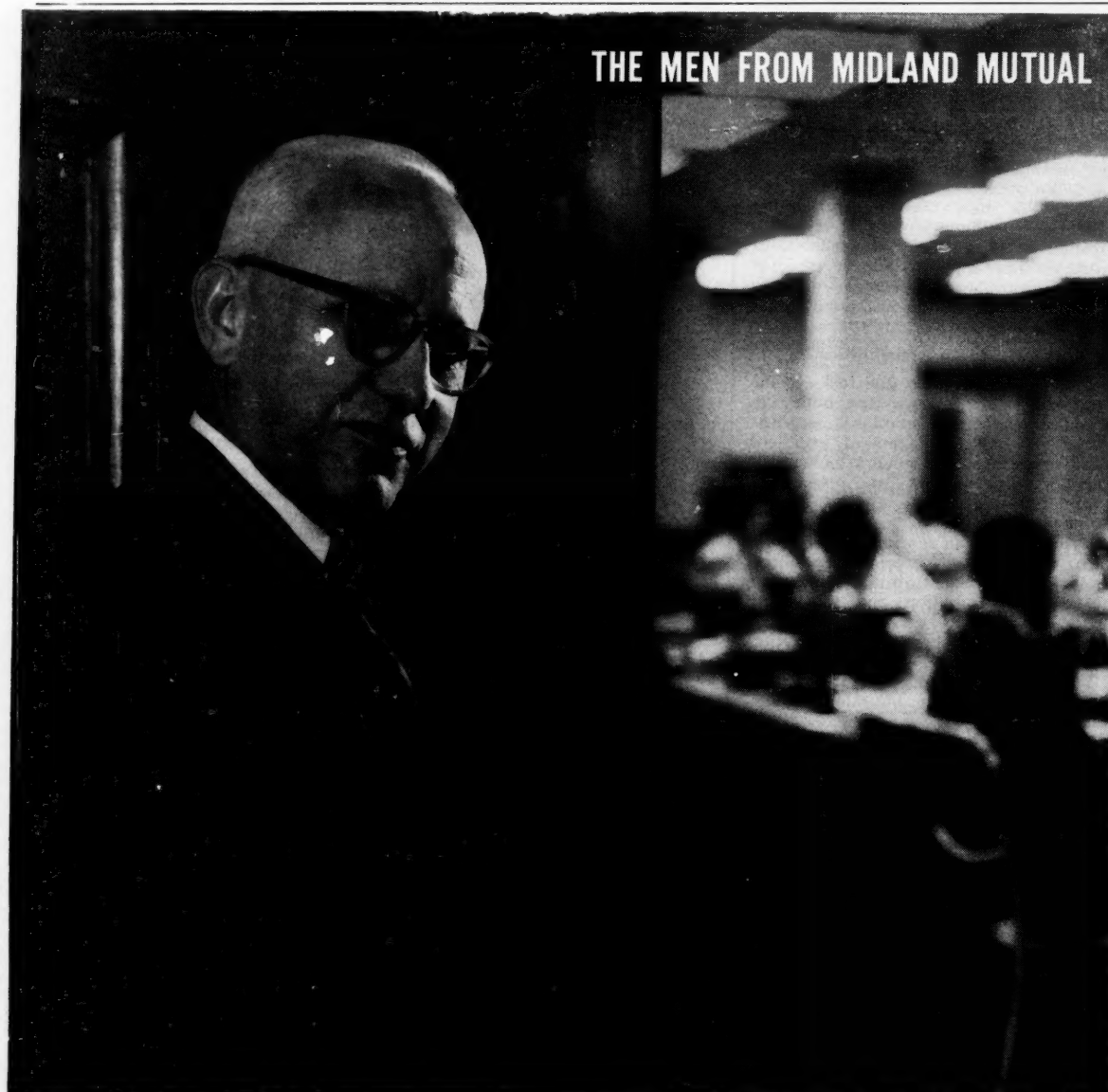
Sun Life Of Maryland

J. Reid Harrison has been appointed general agent at Red Bank, N. J. He was formerly with Colonial Life at Red Bank.

Acacia Mutual

David Vann, who has been with the Tampa agency since 1956, has been named acting manager there. He is secretary-treasurer of Tampa Life Underwriters Assn.

William P. Leibensperger, division manager of Prudential at Cincinnati



THE MEN FROM MIDLAND MUTUAL

Chester O. Sullivan, Midland Mutual's field-minded President.

"Our greatest asset... happy, successful field people"

President Chester O. Sullivan defines the basic purpose of Midland Mutual:

"Extending the benefits of personal insurance to an ever-increasing number of people."

Our greatest need in the accomplishment of this purpose is an effective, well-trained sales organization. Our greatest asset will always be happy, successful field people — because they do the actual work of serving the public through our products.

Midland Mutual offers rewarding careers in field management and underwriting—and provides the leadership and support to help field people achieve real success. The home office is staffed with capable, experienced individuals who are respon-

sive to the needs and problems of the field force.

To find out more about the advantages of Midland Mutual's "Helping Hand" philosophy of operation, write to Charles E. Sherer, CLU, Vice President and Director of Agencies.



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Since 1906

**THE
MIDLAND MUTUAL
LIFE INSURANCE COMPANY**
256 East Broad St., Columbus 16, Ohio

York has been named manager at Columbus. Since joining Prudential in 1951, he has been manager at Canton, division manager at Columbus and training consultant at the home office.

Aetna Life

Jackson G. Field, associate general agent at Jacksonville, has been named general agent to succeed Charles I. Mann who will continue in personal production. Mr. Field joined Aetna at Birmingham, Ala., in 1948, where he later became assistant general agent. He is a CLU. Mr. Mann has been with Aetna for 33 years and has been general agent since 1936.

Life Of North America

Frank J. Schmucker, assistant manager at Pittsburgh, has been appointed manager at Newark. He has been in the life business for seven years.

Postal Life

Julie J. Roseman, former brokerage supervisor at New York, has been promoted to associate general agent. He has been with Continental Assurance Co. since 1952.

Pacific National Life

George E. Gaylord has been appointed general agent at Grand Junction, Colo., by Pacific National. Before entering life insurance in 1954, he was a conservation officer with Colorado fish and game department.

Berkshire Life

Peter Messenger, former manager of the programming and planning department of Mutual Trust Life at Brooklyn, has been appointed supervisor at New York.

American United Life

Winfield S. Haldt has been appointed manager of the company's new agency in Terre Haute. He has been in the business 10 years as agent, assistant manager and consultant.

Commonwealth Life

John E. Lovelace Jr. has been named manager of the Mississippi branch by Commonwealth Life. His office will be at Jackson. Mr. Lovelace has been in life insurance since 1956.

AMERICAN FOUNDERS LIFE has entered Tennessee and has appointed A. M. Burton II, formerly training supervisor of Life & Casualty, as agency manager at Nashville.

VALLEY FORGE LIFE has appointed William Lewis life brokerage supervisor at Charlotte.

Jack E. Wunsch has been named agent at Clayton, Mo., by CAPITOL LIFE. He was formerly district manager for Mutual Savings Life.

Nw Mutual Agents Attend Clinic

A general agency building clinic was attended by 21 general agents of Northwestern Mutual Life at the home office. Special emphasis was put on selection and training of career agents, and recruiting, financing and supervising of new agents were also discussed at the one-week workshop.

Bankers Life of Nebraska has opened a new field office in Honolulu, effective Dec. 1.

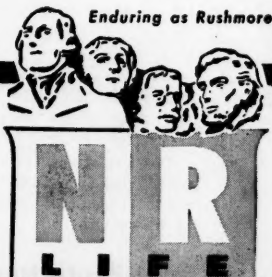
CAREER Opportunity IN OMAHA

FOR THE MAN READY FOR

General Agent Advancement

Here's an excellent Midwestern opening in prosperous Omaha for the man whose experience and ability qualify him for General Agent responsibility.

Our Company, with over \$230,000,000 Insurance In Force, is conducting a vigorous expansion program throughout our entire operating territory. We assure you the utmost in efficient home office cooperation plus tested effective sales aids. Write today for detailed information. Correspondence in complete confidence.



H. O. CHAPMAN,
President
S. H. WITMER,
Chairman of the Board

NATIONAL RESERVE LIFE INSURANCE COMPANY

TOPEKA • SIOUX FALLS

GENERAL AGENT OPPORTUNITY

CAN YOU PROSPECT?

Do your prospects come directly from your own effort, ability and imagination and not from office leads, your supervisor, your manager?

Can you show others "how to"?

CAN YOU TELL A CONVINCING SALES STORY?

If you're doing well right now with what you've got, you'll do better with our proven competitive merchandising plans featuring dismemberment—lifetime income—top value income settlement option—and the premium payment plan of the future, Check-O-Matic.

Can you inspire and show others "how to"?

CAN YOU COMPETE?

Do you enjoy competing with others? More important, do you compete with yourself?

Can you instill this spirit in others?

DO YOU REALLY WANT TO EARN MORE MONEY?

Do you want to earn top present and future dollars for your own personal "know how" and for your ability to show others "how to"?

HERE'S YOUR ANSWER!

Highest lifetime service fee in the business to adequately compensate the career underwriter—fully vested renewals for 9 years—top 1st year commission on par and non-par policies—agency office allowance—non-contributory pension plan—operating capital for new agents.

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HOWARD W. KRAFT, Vice President
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COLUMBUS 15, OHIO

Opportunities in: Arizona, California, District of Columbia, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Maryland, Michigan, Minnesota, Missouri, North Carolina, Ohio, Pennsylvania, Texas, Virginia and West Virginia.



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*By NATURAL Business we mean your present clients who need and qualify for Mass. Indemnity's fine Disability Income protection.

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Propose the MILICO Plan which suits him best!
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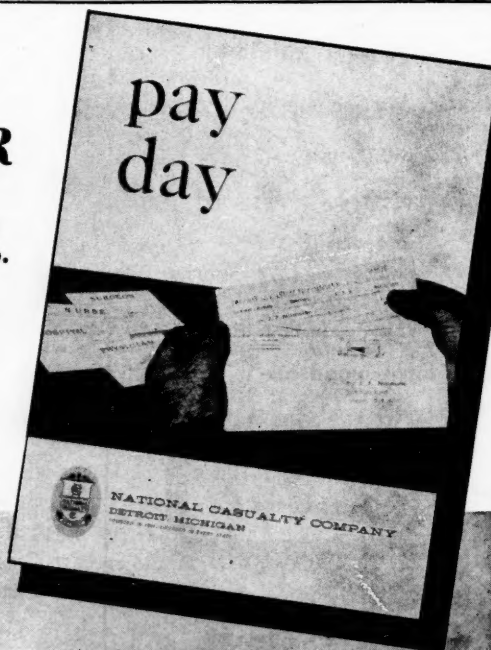
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REMEMBER—IT'S EASIEST TO SELL THE BEST!



NATIONAL CASUALTY COMPANY

DETROIT 26, MICHIGAN

Home Office Changes

Lincoln National Life



Harold E. St. Clair

Harold E. St. Clair, former editor of the Diamond Life Bulletins of the National Underwriter Co., has joined Lincoln National Life as assistant secretary of the reinsurance department. Formerly in the policyholders service and mortgage loan departments of Lincoln National, he is returning after an absence of 22 years. Mr. St. Clair has also been director of agents' training for Reliance Life, and associate secretary of Life Office Management Assn.

Massachusetts Mutual

K. Robert Bunten and Dudley N. Hartt, assistant counsel, have been named associate counsel in the law department. Mr. Bunten joined Massachusetts Mutual in 1954 and before that was a member of the trust department of New England Trust Co. at Boston. Mr. Hartt was in private practice in Rochester, N. Y., before joining the home office. Both appointees are CLUs.

Bankers L&C.

In a number of changes in the aviation special risk division of Bankers L&C., Philip B. Hippchen has been appointed underwriting superintendent, Jack Bunch eastern regional manager, Vincent H. Palmer sales and underwriting specialist, and Thomas Atkins and Ralph Jensen sales special agents. Mr. Hippchen has been with

the company for four years, and to that was an insurance buyer in industry. Mr. Bunch, regional manager at St. Louis for the past year, formerly branch manager there Continental Casualty's aviation special risk department. Mr. Palmer has with G. Shannon Grover Co. special A&H agent for Fireman's

Mutual Of New York



William H. MacKenzie

in 1947, where he became assistant manager in 1949 and transferred



Clarke Williams



George A. Norwood

San Francisco in the same position year later. He was appointed district manager at Santa Rosa in 1957 and manager in 1958. He joined the home office sales staff in September.

Mr. Williams joined Mutual at Richmond in 1947, was named assistant manager in 1949 and manager in 1951. He has been on the home office sales staff since last September.

Mr. MacKenzie has been with Mutual since 1954.

Occidental Life Of California

Earl Clark, manager of the Pasadena branch since 1949, has been appointed 2nd vice-president of the home office agency department. Mr. Clark entered insurance in 1939 with American Reserve Life and a year later joined Occidental in the advertising department. Upon returning from the service, he joined the agency department staff and later became home office supervisor for southern California prior to becoming manager at Pasadena.



Earl Clark

Pacific National Life

Ray H. Peterson, chairman and former president of Pacific National, has resigned from the executive and investment committees. He will be succeeded by H. Smith Hagan, senior

President of the Salt Lake City primary life division. Mr. Peterson, who joined Pacific National as office manager in 1929, was honored recently at a luncheon in Salt Lake City commemorating his retirement from active duty. He will continue to serve as chairman.

Prudential



William Ingram

William Ingram Jr. has been appointed executive director of district agencies in the Houston home office. He replaces Donald E. Bishop, recently elected 2nd vice-president and transferred to the Jacksonville, Fla., home office.

Beginning with Prudential in 1932, Mr. Ingram has been in district agency operations since that time. In his new capacity he will direct the sales and service activities of some 1,500 district

agents in the eight states served from the Houston home office.

For the past three years, Mr. Ingram has been executive director of agencies at the Newark home office and before that was in a similar capacity in the Chicago regional home office. He also participated in the initial operations of the Los Angeles home office.

Colorado Credit Life



William Hopkins

William Hopkins has been appointed 1st vice-president of Colorado Insurance group. Mr. Hopkins has been with the companies since 1953, and for five years before that was unofficially connected with the organization as an adviser.

He directs the consumer credit insurance division for Colorado Credit Life, Colorado Ins. Co., Allied national and Equity Gen-

eral. Before joining the Colorado group, he was in the industrial banking field for 13 years and was vice-president of a chain of finance companies.

General American Life

Edward H. Borman Jr. has been appointed assistant manager of the group benefits department of General American Life. He will supervise the Kansas City, Little Rock, Memphis and Oklahoma City district claim offices and will be in charge of the claim manuals and instructions.

Nationwide Life

Walter T. Bradley has been placed in charge of all sales activities of the group department of Nationwide Life. He has been sales manager of regular group insurance for the past year, but in his new position will be in charge of pension and association sales as well. He joined Nationwide in 1946 as a local agent in Connecticut.

Horace W. Brower, president Occidental Life of California, has been named a director of Pacific National Life.

So New—So Different— You've NEVER Seen a Hospital Policy Like This One!

American Casualty's NEW PROTECTOR HOSPITAL POLICY

- ① **WILL NOT BE CANCELLED** because of deterioration of health!
- ② **NO LIMIT** to the number of days of hospital confinement!
- ③ **90-DAY NURSING HOME** benefit!
- ④ **GREATLY IMPROVED SURGICAL SCHEDULE** that includes Dental Coverage!
- ⑤ **OUT-PATIENT TREATMENT** benefit includes not only first aid but other costly out-patient services not previously covered!

PLUS these maximum benefits:

- \$25** Daily Hospital Room and board
- \$500** Hospital General Expense
- \$500** Surgical Schedule

Check the list again. Don't you agree that you have NEVER seen so many new and unusual features combined in one Hospital Policy? It's the finest Hospitalization program ever offered by the American Casualty Company... quality from start to finish... with the realistic limits your policyholders need today. May we send complete information? Just fill in and mail the coupon.



AMERICAN CASUALTY

COAST-TO-COAST BRANCH OFFICE SERVICE
HOME OFFICE: READING, PENNSYLVANIA

AMERICAN CASUALTY CO., Reading, Pa.

Please send information kit on the NEW PROTECTOR HOSPITAL POLICY.

Name _____

Address _____

City and State _____

What We Mean By "Change Easy"

"What," asked the Occidental policyholder, "is this 'Change Easy' insurance you're advertising nationally?" This was our answer:

"It's that \$10,000 Term policy bought when you were married and changed to Endowment last year when you were promoted. It's the \$100 a month family income you included when Peter was born and the additional \$100 when Debbie came along, plus the \$10,000 education fund you tacked on last year..."

"It's the provision you added to pay off your \$15,000 mortgage when you bought your home, the Family Plan insurance on Mary and the kids... the \$200 a month disability income for you."

"All those benefits—added as needed to one policy—plus your family hospital and major medical plans, now paid with one pre-authorized monthly check... this is 'Change Easy' insurance."



Occidental Life

INSURANCE COMPANY OF CALIFORNIA

Home Office: Los Angeles / W. D. Stannard, Vice President

We pay Lifetime Renewals... they last as long as you do!

HEMISPHERIC RALLY TOLD:

Life Insurance Is Tempting Target For Financing Of Extravagant Governments But Defenses Are Being Kept Strong

The vulnerability of insurance, particularly life insurance, to the nationalization threat was mentioned by A. L. Kirkpatrick, insurance department manager of the U.S. Chamber of Commerce in his report as permanent secretary of the Hemispheric Insurance Conference at its meeting in Caracas, Venezuela. However, he said, defenses seem to be operating effectively.

"We are living in a period when there are powerful forces working for governments to take an ever-increasing part in controlling the lives and affairs of individuals and business enterprises," he said. "Insurance, as a public service type of business, is one of the most vulnerable of all businesses to the nationalization by government."

"In addition, insurance—especially life insurance, with its vast accumulation of reserve funds—is a very tempting pool of capital which an extravagant government, struggling to find means of financing projects

which may be beyond its current sources, may take over and find to purchase its bonds and other obligations. Many a government finding its benefit and insurance fund an excellent source from which to borrow to make up a deficit between its tax income and its expenditures.

Mr. Kirkpatrick said that in spite of this world-wide trend toward nationalization and other forms of government interference, the insurance industry in the western hemisphere has withstood the pressures in very remarkable fashion. While conceding that it is difficult if not impossible to relate cause and effect in any measurable manner, he said "there surely is a high degree of correlation between the existence of the Hemispheric Insurance Conference, dedicated as it is to the interest of private insurance and the fact of this bulwark of resistance to government intervention."

Holgar Johnson Speaks

President Holgar J. Johnson of the Institute of Life Insurance talked of progress and trends in life insurance.

Lester O. Schriver, managing director of National Assn. of Life Underwriters, talked on what life insurance does.

"Life insurance is indeed love triumphant," he said. "It is fatherly financial immortality. It is the material out of which you build the house of protection for mother and the kids. Life insurance is the great emancipator of want. It is the guardian angel of the home. It is the thing which makes love live beyond the grave. It is love made negotiable. It is the tangible evidence that you are a good husband and father."

Describes B. M. A. Advertising

W. D. Grant, executive vice-president of Business Men's Assurance, spoke on "Life Insurance Advertising Today—a Typical Company Program." Mr. Grant said that his company's national advertising program primarily utilizes newspapers and limited space in two nationally circulated news magazines. Newspaper advertising is carried three or four times a year in approximately 160 daily or weekly papers in the areas of the greatest agent concentration, as determined by the company's 33 branch offices. Each advertisement is about one-eighth page in size and has an appropriate photograph to attract greater attention.

Mentioning the importance of a company's trademark or symbol which can appear on all printed advertising and company literature, Mr. Grant described the 70-foot weather beacon atop the 10-story home office building in Kansas City, this beacon being used as part of the company's insignia. Direct mail is another important medium used by B.M.A.

Describes Investment Of Funds

Frank J. Travers, vice-president American United Life, talked on the investment of life company funds in the United States. He said that more and more it has become necessary and profitable for life companies to establish their own investment staffs for research and investigative work and to provide finance committees with background information on industry trends, credit studies, territorial analysis, etc. Smaller life companies which feel they cannot afford an investment staff may employ an experienced outside investment counselor on a part-time basis.

The Manhattan Life Again Points the Way with Its Family Member Insurance Rider

UP TO
\$50,000
WIFE
INSURANCE

or one half amount of Husband's Basic Manhattan Life Policy, whichever is less.

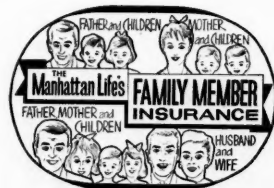
That's just one of 4 Family Member Insurance Riders. See the other three at right.

HIGHSPOTS OF THESE NEW RIDERS:

The Term Insurance on Wife and/or Children is convertible to one of a wide choice of permanent plans. New commissions paid on conversion.

Children born after Rider is in force automatically insured, 15 days after birth. No increase in premium.

The Family Member Insurance Rider can be attached to most Manhattan Life policies.



3 OTHER RIDERS

CHILDREN INSURED

by Rider attached to
Mother's Policy.

MOTHER AND CHILDREN INSURED

by Rider attached to
Father's Policy.

CHILDREN INSURED

by Rider attached to
Father's Policy.

★ ★ ★

Ask About Paid-Up Provision,
Waiver of Premium,
and Sub-Standard Issues.
Sorry, We Just Haven't Room
Here for the Whole Story.

The Family Member Insurance Rider is available
in most of the states in which the Company operates.

Over a Billion of Insurance in Force

**THE MANHATTAN LIFE
INSURANCE COMPANY**
of New York

Home Office: 120 West 57th Street, New York 19, N. Y.

LOMA Institute Name Committee Chairmen

Sixteen chairmen of LOMA and LOMA Institute committees have been named.

Association chairmen and their committees are A. J. Arctander, New York Life, eastern planning; R. T. Spass, Central Life, midwest planning; J. H. Quaritius, Peninsular Life, southern planning; C. P. Becklund, Prudential, western planning, and Lloyd Moreland, Metropolitan, north Atlantic planning.

Other Chairmen Listed

Also, Herman E. Otto, Southland Life, southwest planning; H. E. Powe, Equitable of Canada, Canadian planning; John C. Morris, State Farm Life, cost; Henry Dawes, Connecticut general, personnel administration; T. Montague Jr., Interstate Life & Accident, industrial; A. C. Vanselow, Franklin Life, automation; T. J. Coleman, Nationwide Life, organization, and Hess T. Sears, Equitable of Iowa, institutional and membership relations. Institute chairmen and their committees are T. Loyal Anderson, Federal Life, educational council; Paul W. Stewart, Prudential, educational, and M. Beardsley, Security Life & Trust, examination.

General American Honors 140

General American honored 140 employees with service awards by Fred M. Peirce, president, at a dinner in St. Louis. Those honored included 123 employees who have been with the company for 25 years. Adm. Sidney W. Souers, chairman and chief executive officer, was among those honored for 25 years of service.

AMA Endorses Cut-Rate Coverage For Elderly

A system of cut-rate voluntary health insurance for elderly persons with low incomes has been endorsed by American Medical Assn. at a meeting in Minneapolis.

The house of delegates, which is the policy-making section of the association, urged doctors and surgeons to lower their usual fees in such cases so that the insurance can be offered at reduced premium rates to persons over 65 years of age. Dr. James Z. Appel, Lancaster, Pa., called the endorsement "a needle to stimulate the insurance companies and prepayment plans to put out plans these people can afford." The recommendation has the backing of the AMA board of trustees.

Copies of the report will be distributed to private insurance companies and to approved prepaid medical plans such as Blue Shield so that the program can be started swiftly. Details will be worked out between company representatives and officials of local medical societies.

Dr. Appel said the program is not designed for charity patients or those with sufficient incomes but for elderly persons who cannot afford insurance at current prices.

Acacia Mutual October Completed Business Shows 22% Increase

Acacia Mutual's completed business in October was \$22,673,000, an increase over the same month last year of 22%. Total completed business for the first 10 months was \$182,197,000, a gain of almost \$8 million over 1957. Total business in force at the end of October was \$1,665,000,000.

HIS BEST FOOT FORWARD

All time high in October..

This AAL man and his 487 associates "stepped out" to achieve \$21,729,625 paid-for business in October, their sixth record breaking month in the last eighteen. His stride now covers 40 states and 5 Canadian provinces as he represents the . . .

\$21,729,625

AID ASSOCIATION FOR LUTHERANS

AMERICA'S LARGEST FRATERNAL LIFE INSURANCE SOCIETY



A Pro In His Profession

The man on the right is a pro in his profession.

To the BMA representative, this means providing for his client the greatest possible protection, friendly assistance and personal interest in his family's welfare. The BMA representative has been well trained and knows how to use the tools of his profession to solve business and tax problems, as well as family needs.

Just one of the many special services he has to offer is the BMA "22"-30 Savings Plan. It saves three kinds of dollars for his client—for retirement, for his family in case of death and for cash emergencies.

It's well designed plans like this that enable the BMA representative to do a professional job in every situation.



BUSINESS MEN'S ASSURANCE Company of America

Home Office: BMA Building, Kansas City 41, Missouri

Life • Accident and Health • Major Medical Expense
Reinsurance • Hospitalization • Group Plans • Annuities

NEWS
NOTE

from

FIDELITY

A WELL-BALANCED COMPANY

... September paid business 18.9% ahead of last September.

... First three quarters, 7.2% ahead of first three quarters last year, and 15.6% ahead of same period 1956.

... Insurance in force increased to \$1,135,742,296.



The
FIDELITY MUTUAL
LIFE INSURANCE COMPANY
THE PARKWAY AT FAIRMOUNT AVENUE
PHILADELPHIA, PENNSYLVANIA

Here's

BIG NEWS

It's Exciting! It's New! It's For You!

COLONIAL ADOPTS GRADED PREMIUM SERIES

Based on Size of Policy

New Plans • Competitive Rates

More Flexibility • Higher Values

More Liberal Policy Benefits

PLUS Guaranteed Insurability Plan and
Many Other Exciting Innovations
To Help You Sell

Ask your nearest General Agent, Branch Office or Regional
Superintendent for rates and details. They are yours for the
asking!

The



Colonial Life

INSURANCE COMPANY OF AMERICA

Home Office: East Orange, New Jersey

Says Mental Illness Not Compulsory Cover Item

(CONTINUED FROM PAGE 5)

illness. By and large, it has done so since the beginnings of group hospitalization insurance. Group major medical insurance often goes a step further. Most group major medical policies provide substantial "out of hospital" benefits for mental disorders. Some even cover as much as three quarters of the costs of all psychiatric treatment (in excess of their deductibles).

Choice Is The Buyer's

In individual hospital and surgical expense insurance, the picture is also continually improving. The vast majority of individual and family hospitalization policies offered to the public include mental illness coverage on the same basis as any other illness. Even those very few companies still selling policies which exclude mental illness offer other contracts which include it. The choice, as always, is the buyer's.

What then is our position on possible legislation in this field? we believe, as I am sure you do, that legislation should generally be enacted only when the desired result cannot be obtained through voluntary action. In this case, the desired result was obtained 20 years ago without legislative compulsion. Those who want health insurance with mental illness coverage can readily obtain it from the companies in our associations. They are doing so in ever-increasing numbers. Therefore, we do not see a need for legislation.

In addition, there is another and compelling reason why we feel that legislation should not be sought. It could gravely inhibit the imaginative experimentation which has given the

public some of our most useful products. Let me give you an example. Eight or nine years ago, the individual and family major medical expense policies began to appear. Practically all of these excluded mental illness coverage. It's easy to understand why. Here was a new and unexplored field with almost no statistical sign posts to guide us.

About four years ago, some companies began to include a good measure of mental illness coverage in their family major medical contracts. For example, my company's policy covers mental illness while the patient is hospitalized for it; we do not cover psychiatric treatment when the patient is not in the hospital. We decided that we couldn't cover the non-hospitalized treatment, because it is what we call "subjective in nature."

Many Could Be Helped

For example, it is quite probable that a half to three-quarters of the people in this room could benefit from psychiatric consultation. I'm sure you could. In one way or another, most of us could gain a better insight into our own capabilities and limitations, a better appreciation and acceptance of those capabilities and limitations, and probably could learn to live more happily with them.

However, we aren't at the moment so unhappy as to be willing to spend a couple of thousand dollars in order to gain these benefits. People who now go to psychiatrists for intensive treatment without insurance are those who are so unhappy or disturbed that the treatment is more important than the money. If the treatment were available without the money, I should certainly take advantage of it, and I think a good many others would too. That's why most insurance companies have been a bit afraid of offering benefits for psychiatric consultation, unless the patient is sick enough to be hospitalized.

Would Have Been Blocked

Now, if there had been a law on the books eight or nine years ago prohibiting the exclusion of mental illness, major medical would not have been offered at all. The companies which started experimenting in this field would have been afraid to do so had they been required then to grant the mental illness coverage they have now learned to offer.

There has been some question about the cost of mental illness coverage, and perhaps I should comment on it. One thing is certain. Yesterday's cost is not today's or tomorrow's cost. More people are aging, and mental illness can be a problem of middle and later years. Public attitudes are changing, and many mental patients who would once have been hidden in a public institution to languish their life are now being rehabilitated. New treatment facilities are being built not only in mental hospitals, but also in general hospitals. Treatment methods are changing rapidly.

It may be that the cost of mental illness care will increase, or it may decrease. We do not know for sure. Too many elements enter into it. If it increases, the cost of health insurance will simply have to reflect it, and it reflects other increases in the cost of health care, and the public will be getting actually a better value for its health insurance dollar, because it will be getting better health care. One thing we are sure; that as the methods and conditions change, we will health insurance methods change to meet them.



The SOWER...

In its symbolism is every tenet
upon which our business is built.

Symbol of Progress

Just as the Sower symbolizes the spirit of the pioneers of our country... those who came to a vast wilderness to build a new home, a new life and a new nation... so it symbolizes the spirit of our company which will soon move into a new home office building in Lincoln. Our achievements over the years lead us to look ahead to a future filled with promise, continued progress and growth. As a symbol of progress the Sower is especially appropriate to us at this time as we embark on a new phase in our history.

BANKERS LIFE OF NEBRASKA

LINCOLN

Cautions Field Force Minimum Deposit

(CONTINUED FROM PAGE 2)

of the agent on our application encourages of educational activities throughout the industry, and an unbiased policing of the business throughout his seven years in office. John H. Carton, president of Wolverine and Federal Life & Casualty, served as master of ceremonies. While Mr. Navarre did not read his report, he made available his appraisal of the U. S. Senate subcommittee investigation of insurance. He has been serving as chairman of the commissioner's committee on preservation of state regulation, and in his report he said he attempted to put the issue of federal vs state regulation "in its proper perspective."

State regulation must continue to meet public expectation of reasonable coverage at minimum cost, including "reasonable exercise of competition" and a stability within the business, Mr. Navarre said. The past 13 years under Public Law 15 have been satisfying, with the industry showing a healthy growth, he said. Much of the development has been among established companies, but there has been a favorable climate for those wishing to act independently. The report concedes that both the commissioners and the companies have had a difficult time with public relations.

Depends On Agent's Integrity

The company is dependent upon the integrity of the agent, and his honesty in fulfilling his obligations to complete the application in all respects accurately, and we must ask that you bring this whole subject carefully to the attention of every member of your agency in an agency meeting and/or in person. This, of course, is not to accuse any individual inadequate practice and no man those procedures are proper should any way feel that an accusing finger is being pointed in his direction.

The problem of replacement has had the attention of the industry for many decades. It is an easy matter, presumably, to rationalize in connection with a current sale that the status of the buyer is thereby improved, not necessarily taking into account the full values of the insurance that is being replaced.

New York state, like most other states, has written into its insurance code demanding requirements on the subject of replacement, or what is sometimes less popularly referred to as "twisting." You will find enclosed a production of sections from the New York state law on this subject, the principles of which, as well as the details, could well be refreshed in the mind of any agent.

We must ask that you make this whole subject crystal clear to your whole organization. We are adopting new practices on this subject, but we must point out that the greatest are must be used by every one of our representatives to protect the basic interests of their clients. We need not repeat here what is already nearly understood and what will be the case, namely, that in any instance where improper handling of replacement of business is found, we will have no course but to cancel the contract of the individual involved.

You, as manager, are closest in de-

Old, New Michigan Commissioners Feted

(CONTINUED FROM PAGE 2)

encouragement of educational activities throughout the industry, and an unbiased policing of the business throughout his seven years in office. John H. Carton, president of Wolverine and Federal Life & Casualty, served as master of ceremonies.

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LOMA Mails Membership Roster

The 1958-59 membership roster of LOMA has been mailed to member companies. The 54-page booklet lists 346 member companies, an increase of 12 over last year's edition. The list of staff officers has been supplemented to include administrative staff members. Also included is a breakdown of membership by states, provinces, territories and foreign.

Record For North American Life

North American Life of Chicago in November had its first \$8 million month, with sales 19% above November, 1957. Much of the impetus for the November record arose from the president's campaign honoring Charles G. Ashbrook.

tail to any sale going through your agency, and we ask you to take increased responsibility for guarding against improper selling. Any natural inclination that you may have to protect the interests of your agents must not override your responsibilities in protecting the interests, likewise, of the buyer and the company. The interests of all three parties are the same. It takes only a small amount of insight to see the basic truth in this statement.

This is a time for fullest exchange of information, and I am making the specific request that you write me fully of the result of your discussions and a report on what the analysis of your operations—both present and past—reveals with respect to the situation in your agency. I would ask that you do this without delay.



Looking for a Profitable Connection?
... Then Look to the STATE LIFE!

THE STATE LIFE holds much for the man who is looking for a good, aggressive company. That's because the State Life is rapidly expanding its agency force in many states under the leadership of experienced men who constantly contrive new and better ways to make the work of an agent easier and more rewarding.

For the man without experience, State Life gives the finest foundation for a happy and profitable career... and, likewise, for the man with experience, progress is unlimited. So, take advantage of State Life's opportunities and you are sure to move ahead. Write for all the facts today.

DIHL H. LUCUS—Director of Agencies

A MUTUAL
COMPANY
FOUNDED
1894

The
STATE LIFE
Insurance Company
Indianapolis

LOANS

A General Agent or Agent can easily have from \$2,000 to \$100,000... in a lump sum... at low bank interest rates... on his vested renewals through our exclusive, dignified, confidential service...

- For additional working capital
- For business expansion
- To pay off indebtedness... protect your credit
- For personal needs... home purchase, home remodeling, etc.

For complete, confidential information on this exclusive service, please call or write...

RENEWAL GUARANTY CORPORATION

2323 First National Bank Bldg. • Denver 2, Colorado • TAbor 5-2254

RENEWAL GUARANTY CORPORATION
2323 First National Bank Bldg., Denver 2, Colo.

Gentlemen: Please send me complete, confidential details on your exclusive service. I understand I am NOT obligated in any way.

☐ AGENT

☐ GENERAL AGENT

Name _____

Company _____

Address _____

City _____

Zone _____

State _____



Member: National Assn. of Life Underwriters

CENTRALIZE
your INSURANCE NEEDS with
CENTRAL
ASSURANCE COMPANY

COLUMBUS, OHIO

JOHN D. SHAFER, President

LIFE • ACCIDENT AND HEALTH • Agencies — Ohio • Indiana • Virginia

Problems Inherent In Underwriting Of Hula Hoopers

Pan-American Life's alert A&S underwriting department has been keeping a watchful eye on the incidence of bodily injuries among America's practitioners of the hula hoopers' art and has issued its latest findings to the

industry in the form of what it terms "An Underwriting Bulletin?????" And just in case other underwriting departments are inclined to take the following abbreviated report seriously, the following quotation is from a note appended to the bulletin—"Now that you have read this, throw it away. We were only kidding."

The bulletin opens with this preface: "Recent medical findings on injuries resulting from prolonged use of the hula hoop have necessitated a drastic revision of our underwriting

rules to include certain restrictions against habitual hoopers."

Reject Grandma

In its summary of restrictions and procedures, Pan-American's underwriters classified as standard risks all professional hoopers with five years' experience or more, and rated amateurs according to age. Any risk under age 35 is classified as standard with proportionate rate-ups to age 55. As for those hula addicts over age 55, the report tersely suggests, "Reject."

Two cautionary notes are included at this point:

"Recent medical research shows sudden upsurge of liver quivers the past associated with excessive pogo-stick jumping. We are informed that high speed hooping (over 100 rpm) in the lumbar region may be cause of reoccurring liver quivers."

Habitual Hooper Exclusions

"It is important to remember a habitual hooper will be covered under existing policies, only for injuries sustained in the areas between upper lip and ankle, both legs. Hooping in the regions above the upper lip and below the ankle, the leg, is considered hazardous and in bad form."

Of considerable help and interest to other underwriting departments is suggested wording of certain waivers:

"Any injury to sacral spine and hematoma of the hips and/or muscular disorder of stomach muscles resulting from use of hula hoop. Applicant should advise if he has ever hooped clockwise, counter-clockwise, or in a circular motion. Numerous painful injuries are reported on hoopers switching direction at high speeds.)"

"Legs—Any injury causing muscular disorder of the femur, tibia and/or patella resulting from excessive twirling about the legs. (A habitual leg hooper's stance is unlike that of a Balinese temple dancer and he walks as though he were following the mounted police on a St. Patrick's Day parade.)"

Offer One Million Shares Of Crown National Life

Prospectuses have been mailed to Indiana residents offering one million par 20-cent shares for \$1 each in Crown National Life of Indianapolis. The company will write industrial and ordinary, specializing in the former.

Offices of the company will be filled by directors serving without compensation until the growth of the company requires full-time personnel. President will be William H. Keller, Keller Securities Corp., brokers in Indiana insurance company stocks, and which will serve as dealer in Crown's issue. Internal operations functions of the company except sales will be handled by Howard E. Nyhart Co., Indianapolis pension and actuarial consultants.

All Crown stock will be common at the completion of the sale of the initial one million shares, stockholders will be authorized to two million additional, one million for future issue stock rights, and dividends and one million held on a five-year option at \$10 per share, net to the company without commission and used to attract personnel.

Occidental Life of California had its best November production month as individual sales totaled \$102,588. Sales through the first 11 months represent an increase of 21% over the same period last year.

A Service Guide

ACTUARIAL COMPUTING SERVICE, INC.

1389 Peachtree Street, N. E., Atlanta 8, Georgia
P.O. Box 6192, Tel. TRINITY 5-6727.

Mr. AGENCY BUILDER:

UNDREAMED OF NEW POWER FOR YOU

DISCOVER A Glorious New World of Agency Building!

It's EASY to Recruit, to Hold, and to Reward Strong Men With:

Top Commissions on 10 Leading Policy Contracts -- Vested Renewals -- Higher Life-Time Service Fees -- Non-Contributory Pension Plan!

Simple, Successful, VISUAL Sales Packages on ALL Leading Policy Contracts -- for Easier, Faster Selling!

Practical Easy-to-Use Training Packages geared for Fast, Early Production and Sound, Continuous Career Development!

GENERAL INSURANCE MEN and BROKERS

NEW AGENTS with CAREER AMBITIONS

STRONG PERSONAL PRODUCERS

PLUS FOR YOU

EVERYONE HAPPY EVERYONE MAKING MONEY

AGENCY BUILDING OPPORTUNITIES IN:

Alabama, Arizona, California, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Texas, Virginia, Washington, D. C., and West Virginia.

YOUR FUTURE FORTUNE

Liberal Agency Overwriting and Expense Allowance for a Dynamic Agency Building Program

Write Today

The COLUMBUS MUTUAL Life Insurance Company

Frederick E. Jones, President
Fred C. Adams, Supt. of Agents

Columbus 16, Ohio

N. Y. Agents Hear Joseph Desmon Score Minimum Deposit

NEW YORK—Joseph N. Desmon, general agent of Continental Assurance at Buffalo, has never written a minimum deposit plan, yet has shown a production record in excess of \$2 million every year since 1950. At the educational meeting of New York City Life Underwriters Assn. he told agents why he would not write a minimum deposit plan even if a client demanded it.

Before proceeding into explaining his opposition to the plan Mr. Desmon clarified his position by saying, "I am a general agent for a company which

issues minimum deposit contracts. The general agents and managers for my company in this area are my closest business friends. I am a director of my company's general agents and managers association. I am an officer of the New York State Assn. of Life Underwriters as the immediate past president. My remarks, opinions, and conclusions are entirely my own—I speak in no official capacity whatsoever."

New York Hearing

Mr. Desmon drew attention to the fact that the New York department has called a hearing of life companies to determine whether abuses complained of in connection with the sale of minimum deposit plans are sufficient to warrant action by the department.

"The implications of this action by the New York department are vast," Mr. Desmon said. "We have companies registering complaints with the New York State department against other companies because of suspected or apparent wholesale twisting. The ef-

(CONTINUED ON PAGE 29)

Pru Economists Paint Glowing Picture Of Next Year's Business

All major segments of the nation's economy "will be moving upward" during 1959, with consumer spending taking the lead in sending the total economy to a record high of nearly \$275 billion, according to Prudential's "Economic Forecast for 1959."

After noting that "the recession of 1958 is over," the report foresees an increase of \$16 billion in the public's purchases of automobiles, household appliances, food and other goods and services. This sharp rise will bring consumer expenditures to a record \$307 billion.

Predicts Employment Increase

The forecast, which is prepared annually by Gordon W. McKinley and his staff of Prudential economists, also predicts a substantial increase in em-

(CONTINUED ON PAGE 31)



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Corporate Social Responsibility Stressed

(CONTINUED FROM PAGE 1)

part of the life insurance business as one of the reasons that institution has achieved its wide recognition and high standing.

Reviewing the social and economic changes which have come about in the past 20 years during which the institute has operated, Mr. Anderson cited them as evidence that "We have telescoped history, for our grandfathers or fathers would have expected to live a full lifetime to see most of these things accomplished."

Pointing out that in these 20 years, life insurance assets have increased nearly four-fold, aggregate ownership of life insurance in the U. S. nearly five-fold and annual purchases of new life insurance six-fold, he said that much of this tremendous growth has stemmed from the social-economic changes of the period or from the contributions of the institution to these changes.

As examples, he said the greatly enhanced economic status of women has seen their ownership of life insurance increase from a relatively small figure to more than \$65 billion and many new policy plans have been created to include women on a special basis either as beneficiary or policyholder; the increased work force in the country and their enlarged income have paralleled the tripling of the average amount of life insurance owned per family and the average size of the ordinary insurance policy bought, and also the development of a broad program of fringe benefits through insurance; the spread of home ownership among American families has been accompanied by the development of a huge volume of life insurance to cover

full mortgage payment in the event of death and also has seen life insurance investment in mortgages grow from less than \$6 billion to more than \$37 billion.

"The stewardship of the pooled funds of millions of families is the life insurance protection we provide as the only link to future financial security. This responsibility does not diminish with time but increases every year and will continue to be a challenge to our public relations consciousness."

The further use of life insurance capital to help finance economic and social projects designed for public betterment was suggested by Holgar J. Johnson, president of the institute.

Such investments at reasonable rates of return can help to offset the use of tax resources for such purposes," Mr. Johnson said, "leaving to business and the public generally more independence of action than would follow through the tax avenue, or still worse the route of national spending or investing through credit extension with the probability of increased inflationary pressures."

Invest In Foreign Markets

In view of U. S. world leadership, he mentioned the possibility of life insurance investments in foreign markets.

"Peaceful financial aid to other nations on a mutually profitable basis in the form of exported private capital can lift the standard of living of other people, provide better returns for our policyholders, and promote the spirit of world peace, although this last point may not always have been the

pattern of exported capital," he said. Mr. Johnson indicated that it is difficult to separate social and economic issues from the political arena, making it important for business people to give leadership to vital national issues.

"The degree to which business proves its social consciousness and its willingness to play a part in national leadership in the future will have an increasing influence in winning public support and in justifying the wisdom of operating under the profit system rather than further experiments of government participation in business," he said.

Urges Continued Research

He called for continuous research and study by life insurance management, not only for improved efficiency of operation so as to produce life insurance at the lowest cost possible, but to adjust company operations to the social and economic relationships of the nation, as well as human relationships involving the business personnel and the outside public.

Noting that public relations must not be considered as a "do good" philosophy, but rather as a necessity in order to win and hold public support in a free society, Mr. Johnson said the life insurance business must constantly translate itself in terms of current acceptability, rather than leaning on traditional approaches.

"More emphasis must be taken in such areas as offsetting inflations, research and promotion of longevity, aiding in the prevention of or lessened impact of disease, and aiding in the educational processes and the support of institutions that contribute to the well-being of our people," he declared.

An audio-visual giant screen presentation dramatically traced the work of the institute through its first 20 years. Other features and talks at the meeting will be reported in next week's issue.

Liberty National Wins \$1 Million Law Suit

A \$1 million law suit against Liberty National over a share of stock allegedly acquired in 1926 has ended with a directed verdict in favor of the insurer.

C. F. Ballenger, still with Liberty National at Troy, Ala., claimed that he acquired the share of stock in 1926 as one of the six original incorporators of the old J. B. Brown Burial Beneficial Assn. Through a series of mergers the little company became incorporated with Brown Service Insurance Co. and finally with Liberty National, he alleged.

In the process the original stock, after mergers, stock splits, dividends and other considerations should now be worth several hundred thousand shares of Liberty National stock and have a value of nearly \$1 million, Mr. Ballenger maintained in his suit.

Liberty National challenged Mr. Ballenger's rights, saying that there was no record of his ever having owned stock in the first place and that the rule of prescription erased any right he had after passage of 20 years. It was on this theory of prescription that Judge Thomas E. Huey told jurors that they should return a verdict for the defendant, which the jurors did.

New business of **Homesteaders Life of Des Moines** during November showed an increase of 48.2% over November, 1957. The gain for the first 11 months of the year is 24.4%.

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Desmon Critical Of Minimum Deposit Plan

(CONTINUED FROM PAGE 27)

that this replacement has on the companies seems to be the primary problem at the moment. I don't know why at this particular time I feel as concerned as I do about this subject; certainly I am not naive enough to have thought that ultimately this would not happen."

Prestige Reduced

Mr. Desmon emphasized the mutual faith and confidence built up over the years between the American public and the life industry and said, "Abuses of this nature reduce our prestige which we have worked for years to create."

Mr. Desmon also noted that no matter how anyone feels about the minimum deposit plan, most career life agents are in accord insofar as abuses are concerned. "We have no place in our business for twisters; we have no place for those who engage in unethical practices," he said.

He foresaw the possibility of some benefits being derived from the hearings and said, "Without question replacement is a counterpart of the companies' drive for volume, just as unlimited group term and various related items are counterparts."

Quality Vs Quantity

Perhaps as a result of the hearings, Mr. Desmon said, "The warning of many of us in the field and in the association will be heeded and the companies will once again become realistic, emphasizing quality instead of quantity, still pushing for substantial production on a sound permanent basis."

Although some agents have sold minimum deposit plans under questionable conditions and with unethical procedures, where perhaps even in a few situations basic honesty is at stake, Mr. Desmon said, "Nevertheless the companies and the insurance departments cannot be held blameless for the existence of the facility which makes such abuses possible."

"When policy contracts of this nature are designed, publicized and promoted in this mad dash for volume, no matter what the price, and safeguards are not carefully built in to guard against abuses, then the companies and the insurance departments are contributing to the abuses under criticism."

Mr. Desmon said that it was interesting to note that several state insurance departments have recently changed their traditional positions and have announced that they will conduct

an independent investigation whenever a case charging twisting is brought to their attention, regardless of whether or not the complaint has been filed by a policyholder who has been damaged.

He said, "Perhaps this will encourage other state insurance departments to take a more realistic look at these problems in their early stages when brought to their attention by the field."

Mr. Desmon said he had made the statement on several occasions that term insurance is the most expensive form of permanent life insurance a man can buy. He supported his argument with figures made available through the New York association in which a policy issued on a term basis 40 or more years ago and an ordinary life policy issued in the same company at the same age at the same time, and the differences between term policies and ordinary life among five companies ranged between 144.7% and 116.9%, with the term policies costing the greater amount.

Ordinary Life Cheaper

"Even if minimum deposit is cheaper than term," Mr. Desmon said, "it is my opinion that it too will prove to be more expensive than ordinary life if financed to the maximum degree possible."

Mr. Desmon also said that the extensive additional service required each year for a client using a minimum deposit plan is a problem which should not be considered lightly. When the premium comes due the insured in most companies will receive a premium notice for the full amount. Those clients with short memories are suddenly jolted because they are not prepared to pay the full amount due. Such clients, Mr. Desmon said, call their agent and a lengthy explanation ensues.

Then a statement is prepared showing exactly how the transaction stands and how it works for the coming year. The agent must then deliver this personally to the "policyowner," as Mr. Desmon called the insured, and the agent must go over the statement with the client. The client then must sign loan forms, pick up his check for the balance or arrange to finance the balance. "All this takes time, time the agent could use to much better advantage to sell additional business," Mr. Desmon said.

"When the agent has enough of this business on the books he will no longer be a salesman but a clerk and errand boy and his income will reflect this change in his occupational status. Contrast this if you will with the usual routine of a mailed premium notice, a check remitted by the policyholder and a commission to the agent."

Personally, I like the second choice. I prefer to be a salesman," he said.

Mr. Desmon asked his audience to consider the potential persistency of minimum deposit plans and said that when a man is "renting" his protection on a year to year basis, he has no established equity and if he still retains his insurability, "he is a sitting duck for other salesmen who have the ability to dream up a still more fantastic gimmick. Renewals are still an important part of my income. Sound insurance advice and service have been my creed. I want sound business that will renew. Minimum deposit has too many potential risks to be of interest to me."

Mr. Desmon pointed out that the

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agent who sells only protection to a client who dies early will receive no credit for the transaction. It is the client who is the smart buyer. On the other hand, if the client lives and does not create cash value, but instead has a large debt hanging over his head which he cannot repay, the responsibility for having sold these temporary plans or the responsibility for having defaulted in his obligation to sell that which would provide a complete protection package, including cash values, will rest entirely in the agents' hands.

If a client's outside investment fund has been maintained and he has been successful, the agent again will receive no credit. If, on the other hand, the reverse is the case, the agent once more is the scapegoat, he said.

Contribute To Inflation

Mr. Desmon characterized minimum deposit and term coverage as the two most inflationary contracts in the agent's portfolio. He said that capital expenditure by industry is the backbone of our economy and that additional insurance company reserves, created by the sale of cash value life coverage, with premiums actually paid and not borrowed, provide the funds for this expansion of our economy.

"Yet we, the life underwriters of America and our great companies, encourage the public to buy policy contracts which not only do not increase reserves but even tend to decrease the already established capital available for investment," he said.

Philadelphia Life Cashiers Elect

Philadelphia Life Insurance Cashiers' Assn. has elected Ronald W. Anderson president. Also elected were:

Frank Wildermuth, 1st vice-president; Elmer Strunk, 2nd vice-president; Joseph Hauck, corresponding secretary; Ella Howe, recording secretary; and Bessie Portner, treasurer.

Postal Life Makes First Service Fee Payment

Postal Life's first service fee has been paid to Arthur Milton, general agent at New York, in ceremonies held at the office of George Kolodny, president.

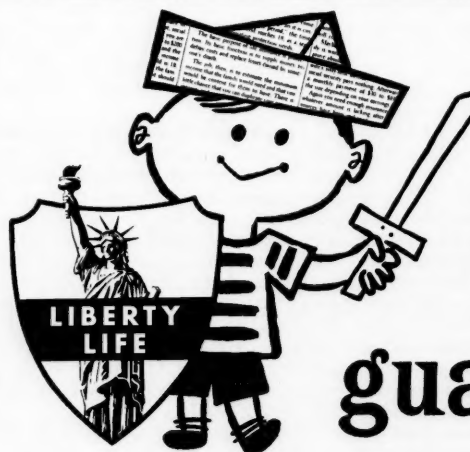
Continuous service fees are paid to Postal agents after the 10th policy year as long as the agent remains in current production.

Postal Life was founded in 1905 and until 1948 sold ordinary life directly to the public by mail and over the counter. In 1948 when Postal switched to the agency system, Mr. Milton was appointed its first general agent. Mr. Milton's service fee covered the first policy to reach its 11th year in force since Postal inaugurated the agency system.

New York Life To Pay Record 1959 Dividends Of \$111 Million

New York Life will make 1959 dividend payments of some \$111 million, a record amount and an increase of 4.5% over dividends of \$106,200,000 payable in 1958. Of the total amount, \$106,800,000 is for dividend payments to individual life and annuity policyholders.

In 1959, New York Life will continue to credit interest at 3.15% per annum on dividends left on deposit and will pay interest at 3.25% per annum or at the guaranteed rate if higher, under supplementary contracts.



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INSURANCE COMPANY

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The important things in life call for Liberty Life

Paint Glowing Picture of Next Year's Business

(CONTINUED FROM PAGE 27)

ment, a rise in wages, and an improvement in corporate profits. The Prudential economists anticipate a high rate of production during the year, contending that a reversal in inventory policy from "liquidation in 1958 to accumulation in 1959" will in itself account for an additional \$5 billion in output.

Business, they believe, will up its plant and equipment expenditures by \$1 billion. They also believe that federal government expenditures will rise by \$3.5 billion and that state and local governments will up their spending by \$4 billion during 1959. Private housing starts will total about 1,150,000 units, as opposed to about 1,095,000 for 1958, accounting for an outlay of \$1 billion over the previous year.

Capacity Operation By Year-End

Predicting a return to "capacity operation" by the end of 1959, the prudential forecast says, "Gross national product (the value of all goods and services produced in the United States) is likely to rise by about \$34 billion, to produce a figure for the year of almost \$475 billion."

Employment will increase by about 6 million which will be sufficient to absorb the expected growth of the labor force and to reduce unemployment to a normal level by the second half of the year, says the report.

The temporary excess in the labor force, together with increased productivity per man-hour and an excess in plant capacity, will exercise a restraining influence on prices during the first half of the year.

But the report warns that "as the economy moves toward capacity operation the threat of inflation will reappear."

In reviewing the recent recession, the economists say that although all recessions involve inventory adjust-

Transport Ins. Co. Forms Life Affiliate

Transport Life has been organized in Dallas as an affiliate of Transport Ins. Co. The company has been capitalized at \$250,000 with surplus of \$250,000.

Leonard B. Brown, chairman, and J. Michael Riley, president, will head the company. Other officers are Frank H. Rawlings, vice-president and general counsel; R. W. Lee, vice-president; Frank E. Bacon, secretary, and Richard H. Folmer, treasurer. Messrs. Brown, Riley, Bacon and Folmer are officers of Transport Ins. Co.

North Cal. Group Managers Elect

Group Managers Assn. of Northern California has elected James O. Richards, Life of North America, president. Other new officers are Earl Unze, Pacific Mutual, vice-president; Robert Caskey, New England Life, secretary, and John Miller, Canada Life, treasurer.

ments, the business dip which occurred in early 1958 was more clearly an "inventory recession" than either of the two previous post-war business adjustments. The net reduction of \$12 billion in the rate of inventory purchases during the declining stage of the 1958 adjustment was more than double the fall experienced in 1953-54.

Recovery Also Dramatic

However the forecast notes that "the recovery from the recession has been just as dramatic as the previous decline."

"By the third quarter of the year, production was back close to the 1957 peak, and now that inventories are being brought into line in the closing quarter, output is surging ahead into new high ground. With sales continuing to rise and confidence restored, business men will move more wholeheartedly to the task of broadening stocks on hand."

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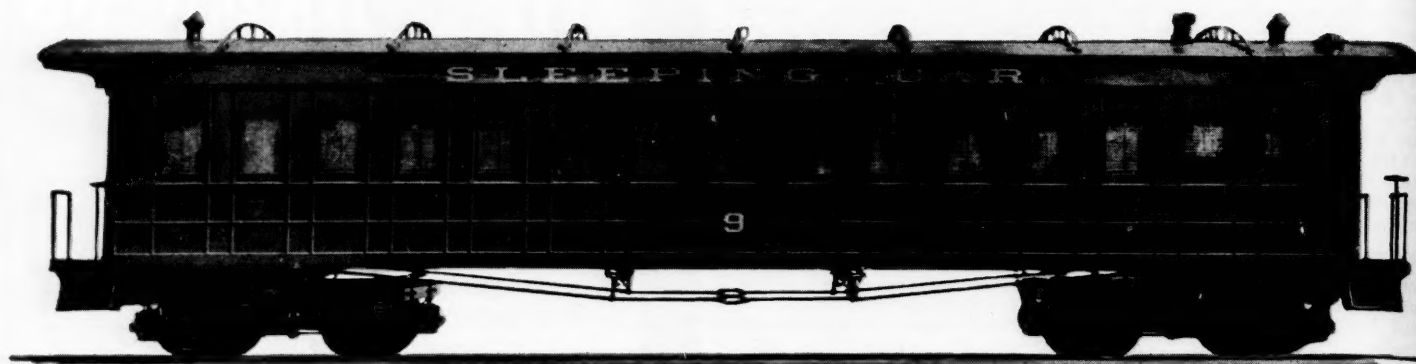
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That same year a young man in New York launched a new business venture. He, too, was the target of skeptical comments from many business leaders. With the threat of a domestic war mounting daily, they said, the time was not ripe for creating a new life insurance firm.

Nevertheless, Henry B. Hyde secured a charter. On July 28, 1859, The Equitable Life Assurance Society of the United States opened for business in a one-room, second-floor office in lower New York. And like the Pullman Company, The Equitable prospered rapidly.

By the first year's end, it had one million dollars' life insurance in force; the following year, this amount trebled. Today, The Equitable has become an enduring American institution. Its pre-eminent position is based on a superior, well-trained agency force.

For nearly a century, The Man from Equitable has been looked upon as a wise and competent insurance counselor in his community. Today, The Man from Equitable can look forward to even greater opportunities for sales and can do his work with the confidence that comes from knowing he has an agent's pension plan second to none in the industry.

In his lasting and rewarding association with The Equitable, he is bearing out the prophecy made by one of the Society's first underwriters who said that the Society was founded "not for a day, but for all time."

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